

**Charles
Bettelheim**

**Class
Struggles
in the
USSR**



Second Period: 1923-1930

[Section 3 -- Sec. 1,
2 and 3 of Part 3]

NOTE: *The translation of this book into English has given the author the opportunity to check a number of his references and, as a result, to revise parts of the text.*

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Key to abbreviations, initials, and Russian words used in the text

Artel	A particular form of producers' cooperative
Cadet party	The Constitutional Democratic Party
CLD	See STO
Cheka	Extraordinary Commission (political police)
Glavk	One of the chief directorates in the Supreme Council of the National Economy or in a people's commissariat
Gosplan	State Planning Commission
GPU	State Political Administration (political police)
Kulak	A rich peasant, often involved in capitalist activities of one kind or another, such as hiring out agricultural machinery, trade, moneylending, etc.
Mir	The village community
Narkomtrud	People's Commissariat of Labor
NEP	New Economic Policy
NKhSSSRv	National Economy of the USSR in (a certain year or period)
NKVD	People's Commissariat of Internal Affairs
OGPU	Unified State Political Administration (political police)
Orgburo	Organization Bureau of the Bolshevik Party
Politburo	Political Bureau of the Bolshevik Party
Rabfak	Workers' Faculty
Rabkrin	See RKI
RCP(B)	Russian Communist Party (Bolshevik): official

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	name of the Bolshevik Party, adopted by the Seventh Party Congress in March 1918
RKI	Workers' and Peasants' Inspection
RSDLP	Russian Social Democratic Labor Party
RSDLP(B)	Russian Social Democratic Labor Party (Bolshevik)

RSFSR	Russian Socialist Federal Soviet Republic
Skhod	General assembly of a village
Sovkhoz	State farm
Sovnarkhoz	Regional Economic Council
Sovnarkom	Council of People's Commissars
SR	Socialist Revolutionary
STO	Council of Labor and Defense
Uchraspred	Department in the Bolshevik Party responsible for registering the members and assigning them to different tasks
Uyezd	County
Volost	Rural district
VSNKh	Supreme Economic Council
VTsIK	All-Russia Central Executive Committee (organ derived from the Congress of soviets)
Zemstvo	Administrative body in country areas before the Revolution

Part 3

The contradictions and class struggles in the industrial and urban sectors

The "procurement crisis" may look as though it was an internal crisis of Soviet agriculture. Interpreted in this way, it seems to have been due, fundamentally, to the state of the relations between classes and of the productive forces in the countryside toward the end of the 1920s: the relations between classes were marked by the dominant position held by the kulaks at that time, which enabled them to dictate their conditions for supplying food to the towns, and the productive forces in agriculture which had reached a "ceiling" that could be surpassed only by means of a rapid change in the conditions of production -- by mechanization of agricultural work, which, if it was not to benefit mainly the kulaks, required collectivization. According to this way of seeing the problem, the "procurement crisis" necessarily entailed the "emergency measures," followed by a rapid process of collectivization, which one had to be ready to impose on the peasants should they prove unwilling to accept it voluntarily -- hence the thesis of the "economic necessity" of a "revolution from above."^[1]

This "economistic" interpretation of the procurement crisis assumes that the NEP was not a road that allowed the middle peasants to assume really the central position in the countryside; that it did not enable the Soviet government to help the poor and middle peasants to improve their conditions of production while gradually taking the road of cooperation and collectivization; or else that "economic exigencies" made it impossible to show patience in dealing with the peasantry.

As we have seen, this "economistic" interpretation is false.^[2] At the end of the 1920s the kulaks did not hold a dominant economic position in the countryside and production by the

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poor and middle peasants could have been increased considerably by helping these peasants to organize themselves and by following a different policy with respect to supplies and prices.

The procurement crisis was not a crisis inherent in agriculture, but a *crisis of relations between town and country* due to mistakes committed in the practice of the worker-peasant alliance. This crisis was bound up with the internal contradictions of the industrial and urban sectors, the fashion in which these contradictions were understood, and the way with which they were dealt.

Notes

1. This "economistic" thesis is usually complemented by a thesis regarding the "military necessities" dictated by the international situation, both of these theses being upheld at the present time in the USSR (see, e.g., *Istoriya KPSS v rezolyutsiyakh*, vol. IV, pt. 2, p. 593). The "economistic" thesis is also defended in West Germany by W. Hofmann, in *Die Arbeitsverfassung der Soviet Union*, p. 8, and *Stalinismus und Antikommunismus*, p. 34 (quoted by R. Lorenz, *Sozialgeschichte der Sowjetunion 1917-1945*, p. 348). It coincides with the position of J. Elleinstein, in his *Histoire de l'URSS*, vol. 2: *Le Socialisme dans un seul pays (1922-1939)*, p. 118, who adds, however, that: "The whole problem lay in deciding the pace at which this programme was to be carried out, and the methods to be employed." [p. 188]
2. Furthermore, as is known, neither the emergency measures nor collectivization, as it was carried out, enabled the difficulties in agriculture to be quickly overcome: on the contrary, agricultural production declined and stagnated for more than ten years. [p. 188]

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1. The direct manifestations of the contradictions in the industrial and urban sectors

The internal contradictions of the industrial and urban sectors manifested themselves directly in the spheres of prices, wages, accumulation, and currency. The phenomena in question were not, of course, due solely to these contradictions, the results of which need to be analyzed, but also resulted from a particular policy that was followed. This in its turn was a consequence of the ways in which reality was perceived -- of the class struggles, that is, that were waged around real relations and the ways in which these struggles were perceived. In the present chapter we shall confine ourselves to describing the direct effects of the contradictions and the way with which these were dealt.

I. Selling price and cost of production in industry

One of the immediate purposes of the NEP was to improve the living conditions of the peasant masses and strengthen the conditions under which the poor and middle peasants carried on their farming. By realizing this aim it was hoped to consolidate the worker-peasant alliance, reduce the economic, political, and ideological roles played by the kulaks, and create conditions favorable to the development of cooperatives and of large-scale collectivization.

Among the economic conditions required for the realization of this aim was a closing of the "scissors," by lowering the prices of industrial goods and supplying the countryside with

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the industrial goods the peasant masses needed. As we have seen, this aim had been attained only partially and provisionally, and toward the end of the NEP period there was even a serious setback to its realization.^[1]

An important point needs to be made here: in 1928-1929 the *retail prices of industrial goods*, which until then had been falling, *started to rise*. If the "scissors" still tended to close, this was due to the fact that *agricultural prices were rising faster than industrial prices*.^[2]

The rise in industrial prices did not accord with the "aims of the price policy." It resulted, in the first place, from an increase in demand to which no adequate increase in supply corresponded. The "inflationary" nature of the increase in industrial retail prices is clearly shown by the fact that it occurred *despite a fall in industrial wholesale prices*.^[3] This fall was dictated to the state-owned industries by a policy still aimed at "closing the scissors" and stabilizing prices.

After 1926-1927 an imbalance began to appear. Already in that year the percentage increase in the cash income of the population exceeded that of the increase in industrial products available for sale by 3.8 points.^[4] The process thus begun continued in the following year, which explains why a *new period* then opened in the evolution of prices.

As we know, the imbalance between the supply of and demand for industrial products affected the peasantry more than any other section.

The situation we have described was bound up with the contradictions in the industrial policy pursued by the Bolshevik Party from 1926 on. This accorded increasing priority to growth in accumulation and production by heavy industry, while *at the same time* increasing urban incomes, especially wages. On the one hand, this was a source of increased demand to which there was no adequate material counterpart. On the other hand, for lack of a parallel increase in the productivity of labor, costs of production in industry were swollen, and this prevented the simultaneous realization of two aims which were then being pursued by the Soviet government: an increase in industry's capacity to finance a substantial propor-

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tion of investment, which was being increased at a rapid rate, and continued pursuit of the policy of reducing the production costs and the wholesale prices of industrial goods.

The reduction in costs of production in industry was, on the whole, much less than had been provided for by the plans, and much less than was needed to meet the requirements of the

policy being followed in the sphere of wholesale prices and the financing of investment in industry. The following table illustrates the problems that arose:

Increase or reduction of industrial costs
(percentage of previous year) ^[5]

	1925-1926	1926-1927	1927-1928	1928-1929
Planned	-7	-5	-6	-7
Realized	+1.7	-1.8	-5.1	-4 to 4.5

A considerable proportion of the reduction of costs of production in industry was due either to factors external to industry (reduction in costs of raw materials, or in taxes) or to accounting adjustments (calculation of depreciation and over head charges),^[6] so that the share represented by wages in costs of production tended to increase. It should be noted that in 1926-1927 *average cost of production in industry was twice as high as prewar*, whereas the wholesale prices of industrial products had not reached this level.^[7] From this followed both industry's low degree of capacity to finance its own investments and the limits bounding the policy of reducing industrial wholesale prices.

The high level of costs of production was due to some extent to the inflation in the members of administrative personnel in charge of production units, enterprises, and trusts. This phenomenon was denounced by the Party, which issued calls for a "struggle against bureaucracy." In practice, however, no such "struggle" was waged by the working masses. It was left to other administrative organs, which were far from effective in carrying out this task. Moreover, the attempts made to strengthen controls, by developing systems of accounting and reporting to the planning organs and establishing departments for studying and analyzing the time taken to produce goods,

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increased the burden of administration in the state industrial sector, while the result hoped for from these innovations were far from being achieved. However, the decisive factor in the increase in costs of production in industry during this period was the increase in wages which was not accompanied by comparable increases in output or productivity.

II. Wages and productivity of labor in industry

According to the figures given by Stalin in the political report of the CC to the Fifteenth Party Congress, the average *real wage* (social services included) in 1926-1927 was 128.4 percent that of prewar.^[8] In the same period, productivity of labor in industry had not [reached] the 1913 level.^[9] During the next two years the situation stayed approximately the same, with wages and productivity in industry increasing at roughly the same pace.^[10]

The increase in wages, despite the presence of a considerable body of unemployed toward the end of the NEP period, testifies to the political role that the working class now played. But, at the same time, the relation between this increase and the increase in productivity testifies to the contradictions in the economic policy then being followed. At a time when what was being emphasized was the need to increase accumulation mainly from industry's own resources, while narrowing the "scissors" between industrial and agricultural prices, the increase in the cost of wages borne by industrial production prevented either of these aims from being realized.

As regards relations between the working class and the peasantry, the development just described had negative consequences: it helped to widen, to the disadvantage of the peasants (most of whom had a standard of living lower than that of the workers), the disparity between economic conditions in town and country. From 1928 on this disparity was

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still further widened by the shortage of industrial goods and the priority given to the towns (except for short periods and only very locally) in the distribution of manufactured products.

In this way, contradictions developed which at first manifested themselves in the form of a process of inflation.

III. The inflationary process and its immediate origins

The immediate origins of the inflationary process are not hard to detect. They lie in the increase in investments and unproductive expenditure which was both rapid and out of proportion with the "financial results" realized by the state sector. This can be illustrated by certain figures.

Between 1925-1926 (the first year of the "reconstruction period") and 1928-1929, the *total amount of budgetary expenditure, in current roubles, more than doubled*,^[11] which meant an increase of 30 percent each year.

In the same years, the increase in the volume of industrial production *destined for consumption* and derived from "census industry"^[12] *slowed down*. This production, which increased by 38 percent in 1926, increased by only about 18 percent in 1927 and in 1928.^[13] It was still a remarkable increase -- but not enough to cope with the increase in cash incomes, especially since there was a slowing-down in production by small-scale industry after 1927-1928.^[14]

Altogether, in contrast to an increase of 34 percent in wages between 1925-1926 and 1927-1928, a fresh increase of about 14 percent in the following year,^[15] and to the increase mentioned in budgetary expenditure, *real national income was increasing at a much slower pace* -- a little over 7 percent per year between 1925-1926 and 1928-1929.^[16]

Thus, the last years of the NEP period were marked by an increasing gap between the growth in distributed income and the growth in the quantity of goods available for consumption.

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The existence of this gap was closely connected with the rapid increase in gross investment in the state sector and with the way in which this investment was financed.

Investments, not all of which passed through the budget, increased 2.75 times between 1925-1926 and 1929.^[17] The larger part of these investments would not result in increased production until several years had gone by. They therefore involved outlays of cash which, for the time being, had no counterpart in production. Here was the hub of the inflationary process, for the state and cooperative sector *provided to an ever smaller extent for its own expanded reproduction* -- as we can see clearly when we examine the evolution of profits in state industry, and compare the resources which it contributed to the financial system with those it drew from it.

Between 1924-1925 and 1926-1927, net profits (i.e., the difference between the profits and the losses of the various industrial enterprises) evolved as follows:

<i>Net balance of profits from state industries</i> ^[18]		
(in millions of roubles)		
<i>1924-1925</i>	<i>1925-1926</i>	<i>1926-1927</i>
364	536	539

The increase was substantial in 1925-1926, but minimal in 1926-1927. In any case, these amounts were less and less adequate to meet the needs of financing the industrial sector. Down to 1924-1925 the latter had supplied to the financial system resources (in taxes, payments of profits into the exchequer, subscriptions to state loans, payments into the state bank, etc.) which were almost equivalent to those it obtained from the financial system in order to cover its needs. In that year, the net contribution of the financial system to the needs of the industrial sector came to only 20 million roubles, or 11.6 percent of the amount contributed by industry to the financial system.^[19]

After 1925-1926, when the period of reconstruction and the policy of industrialization began, the situation was completely transformed. In 1926-1927 the financial system's contribution

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to the needs of the industrial sector exceeded the contribution of industry to the financial system by nearly 35 percent, and thereafter the latter furnished even larger resources to industry. Current financial resources proved inadequate, and it was necessary to *issue paper money*. A rapid increase took place in the amount of money in circulation, which rose from 1,157 million roubles on July 1, 1926, to 2,213 million roubles on July 1, 1929.^[20] This increase was out of all proportion to the increase in the national income. It meant a real inflation of the currency, which gave rise to important economic imbalances and political contradictions.

What has been described here was due, of course, to deeper underlying social contradictions, and resulted from the way with which these contradictions were dealt. It is these realities which must now be analyzed.

Notes

1. See above, pp. 145 ff., 150 ff. [p. 190]
2. In a single year, the former rose by 17.2 percent and the latter by 2.5 percent. [p. 190]
3. During the years under consideration here the wholesale prices of industrial goods fell regularly, but more and more slowly (in 1928-1929 their index stood at 185.3, with 1913 as 100). The gap between the index of industrial retail prices and wholesale prices tended to close until 1927-1928, but then opened again in 1928-1929, which shows that there was a demand in excess of supply, at the prices then being asked. For the evolution of industrial wholesale prices, see E. Zaleski, *Planning*, p. 398. [p. 190]
4. Calculated from Table 33 in S. Grosskopf, *L'Alliance ouvrière*, p. 201, quoting the figures of G. M. Krzhizhanovsky, *Desyat let*, pp. 76-77. [p. 190]
5. From Carr and Davies, *Foundations*, vol. I, pt. 2, p. 954. These writers quote the Soviet sources from which their table was compiled. [p. 191]
6. See, for example, the evolution of the factors in costs of production in industry shown in *ibid.*, p. 345, n. 8. [p. 191]

7. *Byulleten Konyunktornogo Instituta*, nos. 11-12 (1927); *Osnov-*

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- noye Problemy Kontrolnykh Tsifry (1929-1930)*, p. 158; A. Baykov, *The Soviet Economic System*, pp. 123 ff. [p. [191](#)]
8. Stalin, *Works*, vol. 10, p. 322. [*Transcriber's Note*: See Stalin's "[The Fifteenth Congress of the C.P.S.U.\(B.\)](#)". -- DJR] [p. [192](#)]
9. I. Lapidus and K. Ostrovityanov, *Outline of Political Economy*, p. 127. [p. [192](#)]
10. *Ekonomicheskoye Obozreniye*, no. 10 (1929), p. 143; no. 12 (1929), p. 204; and Carr and Davies, *Foundations*, vol. 1, pt. 2, pp. 957, 958 (and also p. 539). Actually, from January 1928 on the way in which real wages were calculated was less and less relevant to the true conditions of the working class. These calculations were based on the official price level, but, starting in 1928, supplies became irregular, a black market developed, and workers were obliged to buy many of the goods they needed at prices which were higher than in the "socialized" sector. It is to be observed that whereas in January 1927 the disparity between the price indices in the socialized and private sectors was 30 points (1913 = 100), this disparity spread to 50 points in January 1928 and to 84 in January 1929 (*ibid.*, p. 964) [p. [192](#)]
11. Carr and Davies, *Foundations*, vol. I, pt. 2, p. 974. [p. [193](#)]
12. "Census industry" comprised those industrial production units which employed 16 or more workers, if they used mechanical motive power, and 30 or more workers if they were without such power. Units of production outside this category constituted "small-scale industry." There were, however, some exceptions to this criterion of classification. [p. [193](#)]
13. Baykov, *The Soviet Economic System*, p. 121; Carr and Davies, *Foundations*, vol. I, pt. 2, p. 948. [p. [193](#)]
14. I shall come back to this question in the next chapter. [p. [193](#)]
15. Carr and Davies, *Foundations*, vol. I, pt. 2, p. 978. [p. [193](#)]
16. Calculated from *ibid.*, p. 977, and Bettelheim, *La Planification soviétique*, p. 268. [p. [193](#)]
17. Proportions calculated by Bettelheim, *ibid.*, p. 268. [p. [194](#)]
18. Baykov, *The Soviet Economic System*, p. 118. [p. [194](#)]
19. *Ibid.*, p. 119. [p. [194](#)]
20. Carr and Davies, *Foundations*, vol. I, pt. 2, p. 976. [p. [195](#)]

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2. The contradictions between the private sector and the state sector in industry and trade

Between 1921 and 1925 the policy of development and accumulation in the state sector of industry laid down limited objectives which this sector was capable of accomplishing mainly

from its own resources. During this period the Bolshevik Party managed to cope, without too much difficulty, with the contradictions that opposed the private sector to the state sector in industry and trade. The state sector developed, as a whole, faster than the private sector, and strengthened positions which, by and large, were already dominant. This consolidation was due principally to the dynamism shown by the state sector, which also enjoyed priority support from the banks. In that period the fundamental principles of the NEP were respected, even though in some towns the local authorities introduced regulations which more or less paralyzed the private sector.^[1] From the end of 1925 there was a change. The efforts made to develop the state sector of industry were increased, and tended (contrary to the resolutions of the Party's congresses and conferences) to be concentrated in a one-sided way upon *heavy industry* and upon projects which required *long periods of construction* before entering the phase of production. Furthermore, as we have seen, the scale of this effort at development called for financial resources that exceeded what state industry and trade could mobilize from their own resources; therefore, imbalances between supply and demand were created, and inflationary pressure built up. *Under these conditions, the private sector in industry and trade was placed in an exceptionally advantageous position.*

The shortage of goods enabled private traders to increase their selling prices, while the prices they paid for supplies

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obtained from the state sector fell as a result of the continuing policy of reducing industrial wholesale prices. Thus, private trade was able to increase its profits to a considerable extent by appropriating a growing fraction of the value produced in the state sector.

Private industry also profited from the goods shortage, by increasing its selling prices while continuing to receive some of its means of production relatively cheaply from the state sector of industry.

Thus, at the very moment when the gap was widening seriously between the volume of financial resources directly at the disposal of state-owned industry and what was needed in order to attain the investment aims laid down for it, profits in the private sector of industry and trade were tending to rise sharply. Moreover, this sector was using material resources which were, to an increasing extent, lacking in the state sector. Although the NEP was not officially abandoned, in order to cope with this situation, *from 1926 on ever more numerous measures were taken to cut down the activity and resources of the private sector in industry and trade.*

Some of these measures were financial, taking the form of increased taxes and forced loans exacted from the private industrialists and traders. The amounts taken from them in this way rose from 91 million roubles in 1925-1926 to 191 million in 1926-1927.^[2] Other measures assumed the form of regulations -- even penal measures, on the ground that many traders and industrialists were violating Soviet law. After 1926 the administrative organs responsible for approving leases and concessions and issuing patents withdrew some of the authorizations they had previously granted.

However, these measures were introduced without any overall plan, and, in particular, without the state and cooperative sector being fully in a position to take the place of the private enterprises whose activity was being brought to a halt. Consequently, there was a worsening of the shortages from which the population suffered, and in the unsatisfactory supply of goods to certain localities and regions. This deteriora-

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tion affected principally the rural areas. In order to appreciate what it meant we must examine

some figures.

I. The different forms of ownership in industry and how they evolved

Soviet industrial statistics of the NEP period distinguished between four "sectors," in accordance with type of ownership of enterprises: state, cooperative, private, or foreign concession.

In census industry, on the eve of the final crisis of the NEP (1926-1927), the state sector was predominant, followed, a long way behind, by the cooperative sector. In percentages, production by the different sectors of census industry^[3] was as follows:

*Percentages of gross production, in current prices,
furnished by the sectors of census industry
in 1926-1927* ^[4]

State industry	91.3
Cooperative industry	6.4
Private industry	1.8
Industry operated as foreign concessions	0.5

In census industry the state and cooperative sectors thus predominated massively. As a result, the Soviet government possessed, up to a certain point, the power to dictate -- momentarily, at least -- a reduction in the wholesale prices of most industrial products, despite the inflation of costs and of demand. Actually, this power was far from being "absolute": its effect was mainly to *delay increases* in wholesale prices of industrial products. It is to be observed that by 1928-1929, as a result of the measures taken from 1926 on, the place occupied by the nonstate sectors in census industry was reduced to less than 1 percent.

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In small-scale industry the nonstate sector played a major role in 1926-1927. Here are the figures:

*Percentages of gross production, in current prices,
furnished by the sectors of small-scale industry
in 1926-1927* ^[5]

State industry	2
Cooperative industry	19
Private industry	79

The big place occupied by private industry prevented the Soviet government from exercising sufficient control over the prices of its products. Some additional information is called for here:

1. In 1926-1927 the value of private industry's production was far from negligible. Taking industry as a whole, it amounted to 4,391 million in current roubles, which represented about 19.7 percent of that year's productions.^[6]

2. However -- and this is a vital point -- within private industry, production was mainly handicraft production and thus not based upon the exploitation of wage labor. According to a

study by the economist D. Shapiro, 85 percent of the small-scale enterprises employed no wage workers.^[7]

3. From the angle of employment, small-scale industry played a considerable role,^[8] but the earnings of the craftsmen contributed little to the inflation of demand: their incomes were of the same order as those of the peasants. A large proportion of small-scale industry was not "urban" but "rural": it was *an important complement to the urban sector of industry, but it was also in competition with the latter*.

As we know, the principle governing the policy followed during the NEP period was favorable to small-scale industry. This orientation was inspired by what Lenin wrote at the beginning of the NEP, when he emphasized the need for "generating the utmost local initiative in economic development -- in the *gubernias*, still more in the *uyezds*, still more in the *volosts* and villages -- for the special purpose of immediately improving peasant farming, even if by 'small'

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means, on a small scale, helping it by developing small local industry.' He pointed out that moving on to a further stage would necessitate the fulfillment of a number of conditions, in particular a large-scale development of electric power production, which would itself demand a period of at least ten years to carry out the initial phase of the electrification plan.^[9] In 1926, and even in 1928, they were still a very long way from having fulfilled this condition, and small-scale industry was still absolutely indispensable.

The small-scale industry of the NEP period assumed extremely diverse forms: handicraft, private capitalist (within certain limits), or directed by local organizations (the *mir*, or the rural or district soviet). Lenin was, above all, in favor of the last.^[10] He also favored "small commodity-producers' cooperatives," which, he said, were "the predominant and typical form in a small-peasant country."^[11]

Down to 1926-1927 the development of small-scale industry encountered only relatively limited hindrances, the purpose of which was to prevent the spread of a private industrial sector of a truly capitalist sort. However, the *aid* given to small-scale industry remained slight, and small producers' cooperatives and the initiatives of local organizations developed only slowly -- mainly, under the authority of the "land associations".

Actually, small-scale industry, and handicraft industry in particular, had not recovered its prewar level of production.^[12] Craft enterprises had difficulty in getting supplies, owing to competition from state-owned industry, which enjoyed a certain priority. In this matter the policy recommended by Lenin was not fully implemented, and the practices which developed from 1926 on departed farther and farther from that policy. This made it increasingly difficult for the peasants to obtain consumer goods and small items of farm equipment.

As principle, however, Lenin's directives remained the order of the day right down to 1927. Thus, in May of that year the Sovnarkom denounced "the unpardonable negligence shown by the public economic services in face of the problems of small-scale industry and the handicrafts."^[13] Nevertheless,

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the "problems" in question were not solved. In fact, the small enterprises found themselves increasingly up against the *will to dominate shown by the heads of state-owned industry*. The latter fought to increase their supplies, their markets, and the profits of the enterprises they directed. In this fight they enjoyed the *support of the economic administrative services*, whose

officials were closely linked with the leadership of the state enterprises.

Starting in 1927-1928, regardless of the resolutions officially adopted in favor of small-scale industry and the handicrafts, the organs of the economic administration took a series of measures whose effect would deprive small-scale industry of an increasing proportion of the raw materials it had been receiving until then, and would cause the complete closure of some of the small production units. This slowing-down of production by small-scale industry took place without any preparation, and under conditions which aggravated the difficulties of agriculture, since the activities of the rural craftsmen had helped and stimulated agricultural production and exchange.

In practice, the final phase of the NEP period was increasingly marked by the dominance of a type of industrial development that was centered on large-scale industry. This development was profoundly different from what Lenin had recommended for decades: it was costlier in terms of the investment required, demanded much longer construction periods, was qualitatively less diversified, and entailed bigger transport costs.

The dominance of this type of industrial development was supported by the trade unions, which saw in it the guarantee of an increase in the number of wage workers and, as has been mentioned, it was also favored by the heads of the large-scale enterprises and the state administration. The pressure exercised in favor of this line of development assumed several ideological forms. The "superiority" of large-scale industry was regularly invoked, together with the idea that an enlargement of the working class would ensure consolidation of the dictatorship of the proletariat. The need for struggle against

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the petty bourgeoisie was also a favorite theme of the partisans of large-scale industry. Thus, in this period many small producers were doomed to unemployment, while the administrative apparatus was being enlarged and the power of the heads of large-scale industry increased.

Between 1927 and the end of 1929,^[14] then, the growing difficulties of small-scale industry resulted mainly from the practices of the state organs and the heads of large-scale enterprises, and not from the policy which had been affirmed by the Soviet government in 1927. These difficulties were connected with a class struggle which set the nascent state bourgeoisie, indifferent to the needs of the masses, against the small producers, and the craftsmen in particular. Thus, the policy *actually followed* was in contradiction with the principles proclaimed, and it enabled large-scale industry to put rural industry in a more and more awkward situation, by reducing the peasants' opportunities for obtaining supplies and by contributing to the gravity of the final crisis of the NEP. Here, too, this crisis is seen to be bound up with the de facto abandonment of some of the principles of the New Economic Policy.

II. The different forms of ownership in the sphere of trade, and how they evolved

During the NEP period trade also was shared among several "sectors."

In wholesale trade private enterprises realized only 5.1 per cent of the total turnover in 1926-1927, and this share was quickly reduced in the following years. The major part of wholesale trade was in the hands of the state and cooperative organs, which accounted for 50.2 and 44.7 percent, respectively, of the total turnover in 1926-1927.^[15]

As for retail trade, the share taken by the private sector was still an important one in 1926-1927. It then stood at 36.9 percent: cooperative trade dominated this sphere, with 49.8

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percent of the turnover, while state trading activity played a minor role.^[16] In retail trade, moreover, the cooperatives were less subject to control than in the sphere of wholesale trade.

In an inflationary situation the relatively important role played by private retail trade meant that reductions in wholesale prices brought little benefit to consumers. The years 1922-1928 even saw the retail prices of industrial goods rising while wholesale prices were still falling. These practices on the part of private traders explain, to some extent, the administrative decisions to close down a number of private sales points and the decline to 13.5 percent in 1928-1929 of the "private" share of the retail trade turnover.^[17]

Here, too, the measures were taken without any preparation -- either by withdrawing licenses to trade or by creating difficulties for transport by rail of goods being marketed by private traders. From 1926-1927 on, tens of thousands of "commercial units" disappeared in this way, most of them being pedlars or petty itinerant merchants who mainly served the rural areas. In the RSFSR alone the number of "private commercial units" declined from 226,760 in 1926-1927 to 159,254 in 1927-1928; *but the number of state and cooperative "commercial units" also declined in the same period.*^[18] This development contributed to the worsening of relations between town and country and to the procurement crisis. It was also one of the factors in the final crisis of NEP.

The measures taken to close down "sales points" without replacing them were contrary to the policy which had been officially proclaimed. Not only had the Thirteenth Party Congress, in May 1924, already warned against measures taken in relation to private trade which would hinder the development of exchange^[19] and perpetuate, or even widen, the "blank spaces,"^[20] but these same warnings had been included in a resolution of the CC which met in February 1927.^[21] They were repeated by the Fifteenth Congress in December 1927, which stressed that the ousting of private trade by state and cooperative trade must be adapted to the material and organizational capacities of these forms of trade, so as not to cause a break in the exchange network or to interrupt the provision of supplies.^[22]

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In practice these warnings were ignored, partly for ideological reasons (the elimination of private trade, like that of private industry, even if their services were not replaced, was then regarded as a development of socialist economic forms^[23] and partly through the pressure exercised by the heads of the state trading organs. The latter tended to boost the role and importance of the organs in which they worked by arranging for the maximum quantity of goods to be handled by these organs and without concerning themselves with the more or less balanced distribution of these goods, especially between town and country.

Thus, from 1926 on, a de facto retreat from the NEP gradually took place in trade and industry. This retreat proceeded as an objective process that was largely independent of the decisions taken by the highest authorities of the Bolshevik Party. Under these conditions, the process went forward *without preparation*, and resulted in effects prejudicial to the worker-peasant alliance as well as to the supply of industrial goods to the rural areas. All this contributed to increase the dimensions of the procurement crisis which broke out in 1927-1928.

III. The factors determining the

***abandonment of the NEP in trade
and industry from 1926 on***

The turn made in 1926 in the Bolshevik Party's practice with regard to private industry and trade corresponded to an accentuation of the social contradictions and the class struggle. This accentuation had a number of aspects.

1. A fundamental aspect was the sharpening of the contradiction between the bourgeoisie and the proletariat, through the growing hostility of wide sections of the working class towards the "Nepmen." This hostility was stimulated by the rise in retail prices which occurred in the private sector and the increases in speculators' profits resulting from these price-rises. In the industrial sector the struggle between the

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workers employed in private enterprises and their capitalist employers was a permanent factor, but there is no obvious evidence that the struggle in this sphere was becoming more acute. In any case, only a very small fraction of the Soviet working class worked in the private sector. They numbered between 150,000 and 180,000, and made up only 4.2 percent of the membership of the trade unions, at a time when 88 percent of the working class was organized in trade unions.^[24]

2. Another aspect of the accentuation of class struggles was the development of a growing contradiction between the bourgeoisie and the petty bourgeoisie in private industry and trade, on the one hand, and, on the other, the heads of state-owned industry. The latter were obliged to accomplish the tasks assigned to them by the plans for industrial development, and yet the financial and material means put at their disposal were insignificant. The reduction, or complete elimination, of the private sector thus looked to them like a way of enabling the state-owned enterprises to take over the resources possessed by the private industrialists and traders, and also by the craftsmen.

3. From 1926 on an increasingly acute contradiction developed between the content of the industrial plans -- their scope, the priorities they laid down, the techniques they favored -- and the continuation of the NEP, which would have required the adoption of industrial plans with a different content.

The development of this last contradiction played a decisive role in aggravating those previously mentioned, but it had itself a twofold class significance:

1. On the ideological plane, a conception of industrialization was increasingly emphasized which was influenced by the capitalist forms of industrialization. This was connected with the changes then being undergone by the Bolshevik ideological formation. The orientation proposed by Lenin concerning the role to be played (at least for some decades) by small-scale industry, local organizations, and relatively simple techniques was gradually lost sight of. Also forgotten were Lenin's views regarding the need to *work out plans which*

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took account of the needs of the masses and the material assets actually available, especially in the form of agricultural products.^[25]

Instead of an industrialization plan in conformity with these indications, the conception which increasingly prevailed gave one-sided priority to large-scale industry, heavy industry, and the "most up-to-date" techniques. It thrust the needs of the masses into the background, giving ever greater priority to accumulation, which the plans sought to "maximize," without

really taking account of the demands of the development of agriculture and of the balance of exchange between town and country, the material basis of the worker-peasant alliance and, therefore, of the consolidation of the dictatorship of the proletariat.

2. This process brings us back to consideration of the production relations in the state sector and the class consequences of these relations. Here, we are at the heart of the contradictions that developed during the years preceding the procurement crisis and the complete abandonment of the NEP. The importance of these contradictions (which concerned mainly the industrial sector) and their fundamental character require that they be subjected to specific analysis. This analysis cannot confine itself to an examination of forms of ownership, but must focus upon the structure of the immediate production process itself and the conditions for reproducing the factors in this process, and also upon the ways in which the production relations were perceived, and their effects upon the class struggles.

Notes

1. See N. Valentinov's article, "De la 'NEP' a la collectivisation," in *Le Contrat social*. (March-April 1964), p. 79. [p. 197]
2. Ibid., p. 79. [p. 198]
3. On the concept of "census industry," see note 12, p. 196 above. [p. 199]
4. Carr and Davies, *Foundations*, vol. I, pt. 2, p. 950. [p. 199]
5. A. Baykov, *The Soviet Economic System*, p. 124. [p. 200]

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6. Calculated from *ibid.*, p. 124, and Carr and Davies, *Foundations*, vol. I, pt. 2, pp. 947, 950. [p. 200]
7. Shapiro, "Kustarno-remeslennaya promyshlennost," in *Planovoye Khozyaistvo*, no. 6 (1927), p. 70 ff., quoted in Grosskopf, *L'Alliance ouvrière*, p. 334. [p. 200]
8. See above, p. 144. [p. 200]
9. Lenin, *CW*, vol. 32, pp. 350, 352. [Transcriber's Note: See Lenin's "[The Tax in Kind](#)". -- DJR] In *On Co-operation*, Lenin wrote that incorporation of the whole population in cooperatives could be achieved, "at best, . . . in one or two decades" (*ibid.*, vol. 33, p. 470). [p. 201]
10. In the conclusion to the pamphlet quoted, Lenin returns to this theme, calling for "the development of local initiative and independent action in encouraging exchange between agriculture and industry" to be "given the fullest scope at all costs" (*ibid.*, p. 364). [p. 201]
11. *Ibid.*, p. 347. [p. 201]
12. Baykov, *The Soviet Economic System*, p. 122. [p. 201]
13. *Izvestiya VTsIK*, no. 103 (1927), quoted in Grosskopf, *L'Alliance ouvrière*, pp. 366-367. [p. 201]
14. After 1929 the policy of shutting down private production units became quasiofficial, as a prolongation of the policy of "dekulakisation" which prevailed at that time. [p. 203]
15. *Kontrolnye tsifry 1926-1927 gg.*, p. 484, quoted in Carr and Davies, *Foundations*, vol. I, pt. 2, p. 961. [p. 203]
16. Carr and Davies, *Foundations*, vol. I, pt. 2, p. 962. [p. 204]
17. *Ibid.* [p. 204]
18. *Voprosy Torgovli*, no. 4 (January 1929), pp. 64-65. [p. 204]
19. *KPSS v rezolyutsiyakh*, vol. 1, pp. 840 ff. [p. 204]
20. Meaning the areas where private trade had been eliminated without being

- replaced by state and cooperative trade. [p. 204]
21. *K.P.S.S. v rezolyutsiyakh*, vol. 2, pp. 224 ff. [p. 204]
 22. *Ibid.*, pp. 351 ff. [p. 204]
 23. Thus, in his speech to the CC on July 9, 1928, Stalin declared: "We often say that we are promoting socialist forms of economy in the sphere of trade. But what does that imply? It implies that we are squeezing out of trade thousands upon thousands of small and medium traders" (Stalin, *Works*, vol. 11, p. 178 [Transcriber's Note: See Stalin's "[Plenum of the C.C., C.P.S.U. \(B.\)](#)". -- DJR]). [p. 205]
 24. Carr and Davies, *Foundations*, vol. I, pt. 2, p. 938. [p. 206]
 25. See Lenin, *CW*, vol. 32, pp. 372-374: "[To Comrade Kryzhizhanovsky, the Presidium of the State Planning Commission](#)" (1921). [p. 207]

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3. The forms of ownership in the state sector and the structure of the immediate production process

Toward the end of the NEP, state-owned industry consisted mainly of established industrial enterprises which had been nationalized after the October Revolution, together with a small number of new enterprises. It coincided largely with large-scale industry, and was, in the main, directly subject to the central economic organs of the Soviet state -- in practice, the VSNKh.^[1] Only a few state-owned industrial enterprises were in the hands of the republics or of regional or local organs. Thus, in 1926-1927, industry directly planned by the VSNKh provided 77 percent of the value of all production by large-scale industry.^[2]

Sale of the goods produced was largely in the hands of a network of state (and official cooperative) organs that were independent of the industrial enterprises. However, during the NEP period, state-owned industry also developed its own organs for wholesale trade, and sometimes even for retail trade. These were usually organized at the level of the *unions* of enterprises, the Soviet *trusts*, or at the level of the organs formed by agreements between trusts, unions, and enterprises -- organs known as "sales syndicates."^[3]

Toward the end of the NEP period, industry's sales organs were gradually detached from the industrial enterprises themselves and integrated, in the form of a special administration, in the People's Commissariats to which the enterprises belonged. In particular, the sale of industrial products to the ultimate consumers was to an increasing extent entrusted to *state trading bodies separate from industry* and operating on the levels of wholesale, semiwholesale, and retail trade. This separation made possible, in principle, better supervision of

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commercial operations by the central state organs. The most important trading bodies came under the People's Commissariat of Trade (Narkomtorg), while others came under the republics

of the regions.^[4] The fact that these different organs existed, and the conditions under which products circulated among them, reveal the *commodity* character of production and circulation.

As Lenin had often emphasized, especially in his discussion of state capitalism,^[5] state ownership is not equivalent to socialist ownership. Under conditions of the dictatorship of the proletariat, statization makes possible a struggle for *socialization* of production, for real socialist transformation of the production relations. Under the dictatorship of the proletariat, state ownership may be a *socialist form of ownership*, but it cannot remain so except in so far as (given the concrete conditions of class relations) a struggle is waged for the socialist transformation of production relations. So long as this transformation has not been completed, state ownership possesses a *twofold* nature: it is both a socialist form of ownership, because of the class nature of the state, and a state capitalist form, because of the partly capitalist nature of the existing production relations, the limited extent of transformation undergone by the processes of production and reproduction. If this is lost sight of, the concept of ownership is reduced to its juridical aspect and the actual social significance of the juridical form of ownership, which can be grasped only by analyzing the production relations, is overlooked.^[6]

The starting point for this analysis has to be clarification of the structure of the immediate production process, which can be perceived at the levels of forms of management, discipline, cooperation, and organization of labor.

I. The forms of management in the state-owned factories

As regards the forms of management in the state enterprises, we need to recall that at the end of the NEP the measures

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adopted in the spring of 1918 were still in force. We have seen that these measures introduced a system of one-person management of each enterprise, with the manager appointed by the central organs and not subject to workers' control.^[7] These measures had been adopted provisionally, in order to combat what Lenin called "the practice of a lily-livered proletarian government."^[8]

In 1926 the difficulties initially encountered in the management of enterprises had been overcome, but the forms of management adopted because of these earlier difficulties remained in force. These forms were not socialist forms: they implied the existence of elements of capitalist relations at the level of the immediate production process itself. Lenin had not hesitated, in 1918, to acknowledge this reality quite plainly. He had defined the adoption of the principle of paying high salaries to managers as "a step backward," leading to a strengthening of capital, since, as he put it, "capital is not a sum of money but a definite social relation." This "step backward" reinforced the "state-capitalist" character of the production relations. Speaking of the establishment of "individual dictatorial powers" (which were to take the form of one-person management), he referred to their importance "from the point of view of the specific tasks of the present moment." He stressed the need for discipline and coercion, mentioning that "the form of coercion is determined by the degree of development of the given revolutionary class."^[9] The lower the level of development of this class, the more the form assumed by factory discipline tends to resemble capitalist discipline.

We must ask ourselves why the Bolshevik Party maintained high salaries for managers and the form of one-person management adopted a few months after the October Revolution, when the conditions which had originally caused these practices to be adopted had passed away.

The maintenance of this system was clearly connected with the *class struggle*, with the struggle waged by the heads of enterprises to retain and even strengthen their power and their privileges. However, the way in which this struggle developed, and its outcome, cannot be separated from certain

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features of the Bolshevik ideological formation and the changes which it underwent. These changes led, especially, to decisive importance being accorded to forms of organization and ownership and to less and less attention being given to the development of a real dialectical analysis that could bring out the contradictory nature of reality.

The *Outline of Political Economy* by Lapidus and Ostrovityanov gives especially systematic expression to the non-dialectical perception of social relations which was characteristic of the Soviet formation at the end of the 1920s. We shall have to come back to a number of aspects of this way of perceiving the economic and social reality of the USSR; for the moment, let us confine ourselves to the following formulation: "We were guided mainly by the fact that the relations in the two main branches of Soviet economics, the socialist state relations on the one hand, and the simple commodity relations in agriculture, on the other, are fundamentally not capitalist. . . "[10]

The writers do not deny that there were at that time (1928) "state capitalist and private capitalist elements in the Soviet system,"[11] but they recognize their presence only in the private capitalist enterprises. They thus renounce attempting any analysis of the internal contradictions of the state sector. Such a simplified conception of the production relations prevented correct treatment of the contradictions and socialist transformation of the production relations in the state enterprises. It was all the more considerable an obstacle in that, toward the end of the NEP period, this simplified conception was generally accepted in the Bolshevik Party. After 1926 the state-owned enterprises, instead of being seen (as had been the case previously) as belonging to a "state sector" whose contradictory nature called for analysis, were all described as forming part of a "socialist sector" in which the production relations were not contradictory.

Here we see one aspect of the changes in the Bolshevik ideological formation. These changes were connected with the struggle of the managers of state enterprises to strengthen their authority and increase their political and social role.

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They cannot be separated from the fact that the increasing extent to which the heads of enterprises were of proletarian origin tended to be identified with progress in the leading role played by the proletariat as a class; whereas this class origin of the managers offered no guarantee of their class position and could, of course, in no way alter the class character of the existing social production relations.

The nature of the social relations reproduced at the level of the immediate labor process was manifested not only in the type of management exercised in relation to the workers, but also in the way that work norms were fixed, in factory discipline, and in the contradictions that developed in these connections.

II. The fixing of work norms from above

Where work norms are concerned, it is to be noted in the first place that their observance or nonobservance by the workers was to an ever greater extent controlled by variations in the

wages paid to them, especially after the *extension of piecework* approved by a CC resolution of August 19, 1924.^[12]

Large-scale application of this resolution began in 1926, in connection with the demands of the industrial plan, and owing to the tendency for wages to increase faster than productivity. In August 1926 the question of revising the norms was brought up by the heads of enterprises and by the VSNKh, who denounced the increasing spread of the "scissors" between productivity and wages, with the latter rising faster than the former.^[13] In October 1926 the Fifteenth Party Conference affirmed the need to revise production norms upward; it also called for a strengthening of labor discipline, so as to deal with the resistance that "certain groups of workers" were putting up against increased norms, and to combat more effectively absenteeism and negligent work.^[14]

At the Seventh Congress of the Trade Unions, held in December 1926, several delegates complained that managers

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were using these resolutions as a pretext for intensifying work to an excessive degree. However, while denouncing abuses which led to "a worsening of the material situation of the workers,"^[15] the leaders of the trade unions emphasized mainly the need to raise productivity.

In 1927 the current in favor of increasing the work norms imposed from above became stronger. It was shown especially in the adoption by the CC, on March 24, 1927, of a resolution devoted to "rationalisation."^[16] This resolution was used by the managers and by the economic organs in an effort to impose ever higher work norms, determined by research departments and services specializing in time-and-motion study.

This procedure tended to reduce the role of collective political work among the workers and to give greater and greater ascendancy to work norms decided upon by "technicians." The resistance with which this tendency met explains why, during the summer of 1927, Kuibyshev, who then became chairman of the VSNKh, called upon that organ to engage more actively in the revision of norms, and not to hesitate in dismissing "redundant" workers.^[17]

At the end of 1927 the revision of work norms was going ahead fast. At the beginning of 1928 the trade unions complained that "in the great majority of cases, the economic organs are demanding complete revision of the norms in all enterprises, which is resulting in wage-cuts."^[18]

Closely linked with the question of norms and the way they were fixed was the question of labor discipline and the relations between the workers and the management personnel in the enterprises. From the beginning of the NEP period this question had given rise to a struggle between two paths, a struggle that was especially confused because what was really at issue in it -- namely, the nature of production relations in the state enterprises -- was not clearly perceived. This confusion explains the contradictory nature of the political line followed in the matter by the Bolshevik Party.

When we analyze this line we observe a crisscrossing of two "paths" -- one that could lead to a transformation of production relations through developing the initiative of the masses, and

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another that tended to *maintain* and strengthen the hierarchical forms of labor discipline in the name of the primacy of production. From 1928 on, the second of these "paths" became stronger, and it triumphed decisively in April 1929, with the adoption of the "maximal" variant of the

First Five-Year Plan.

The crisscrossing of these two "paths" demands that, for the sake of greater clarity, we examine each of them separately.

III. The class struggle and the struggle to transform the production relations

At the level of the Party leadership, the first explicit manifestation of a line aimed concretely at modifying the relations between the managements of enterprises and the mass of the workers appeared in a resolution adopted by the Thirteenth Party Conference in January 1924. In order to understand the significance of this resolution, however, we need to go back a little and see in what terms the problems dealt with by this resolution had previously been discussed.

(a) Managements and trade unions

The problems explicitly presented were, in the first place, those of the respective roles to be played in the functioning of enterprises, by the *management* and by the *trade unions*. It was in this form that the Eleventh Party Congress (1922) had adopted certain positions, in particular by passing a resolution which approved Lenin's theses on "[The Role and Functions of the Trade Unions](#)."^[19]

This document dealt with the role to be played by the trade unions in the running of enterprises and the economy as a whole. In the document we can distinguish between a principal aspect, referring to the "present situation" in Soviet Russia, and a secondary aspect (secondary in the sense that it was not urgent at that time), referring to the future.

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As regards the "present," the document stressed the need to cope as quickly as possible with the consequences of "post-war ruin, famine and dislocation." It declared that "the speediest and most enduring success in restoring large-scale industry is a condition without which no success can be achieved in the general cause of emancipating labour from the yoke of capital and securing the victory of socialism." And it went on: "To achieve this success in Russia, *in her present state* [my emphasis -- C. B.], it is absolutely essential that all authority in the factories should be concentrated in the hands of management."^[20] From this the conclusion was drawn that "Under these circumstances, all direct interference by the trade unions in the management of factories must be regarded as positively harmful and impermissible."^[21]

It is clear that Lenin's theses are concerned with "the present state" of Russia, and that the very way in which he deals with it implies that once the country has emerged from this situation the principles set forth as relevant to it will cease to apply. The "present state" he was writing about was dominated by famine and poverty, from which the Party was trying to rescue the country as soon as possible, leaving a certain number of capitalist relations untouched for the time being.

The resolution on the trade unions which was adopted by the Eleventh Congress warned, however, against the notion that, *even in the immediate present*, the trade unions were to be pushed out of the sphere of management altogether. What it condemned was "direct interference," and it made its position clear by saying that "it would be absolutely wrong, however, to interpret this indisputable axiom to mean that the trade unions must play no part in the socialist organization of industry and in the management of state industry."^[22]

The resolution outlines the forms that this participation is to take: the trade unions are to participate in all the organs for managing and administering the economy as a whole; there is to be training and advancement of administrators drawn from the working class and the working people generally; the trade unions are to participate in all the state planning organs in the drawing up of economic plans and programs; and so on.^[23]

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Here, too, the text states clearly that the forms of participation listed are for "the immediate period,"^[24] *which implies that other forms may develop later on*, so that it is one of the Party's tasks "deliberately and resolutely to start persevering practical activities calculated to extend over a long period of years and designed to give the workers and all working people generally practical training in the art of managing the economy of the whole country."^[25]

(b) The production conferences

The position adopted at the Eleventh Congress makes clear the significance of the resolution passed in January 1924 by the Thirteenth Party Conference. It was a first step taken toward according a bigger role to the workers in the state enterprises in defining production tasks and the conditions for their fulfillment.

This resolution urged that regular "production conferences" be held, at which current problems concerning production and the results obtained should be discussed and experience exchanged. The resolution stated that the conferences should be attended by "representatives of the economic organs and of the trade unions *and also workers both Party and non Party*."^[26] This decision thus tended to subject the managerial activity of the heads of enterprises to supervision no longer by the higher authorities only, but also by the trade unions and the workers, whether Party members or not.

The Sixth Trades Union Congress (September 1924) and the Fourteenth Party Conference (April 1925) confirmed this line. However, its implementation came up against strong resistance, mainly from the economic organs and the heads of enterprises and trusts.

On May 15, 1925, a resolution adopted by the CC recognized that the production conferences had not developed in a satisfactory way, that they had not succeeded in bringing together "really broad strata of the workers."^[27] The CC issued instructions which it was hoped would improve this state of affairs. Actually, 1925 was a year of economic tension during

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which the power of the trade union organizations was in retreat.

At the Fourteenth Party Congress (December 1925) Tomsy, the chairman of the Central Trades Union Council, described the difficulties encountered by the production conferences because of the hostility of the heads of enterprises. Molotov reported that fewer than 600 conferences had been held in Moscow and Leningrad, bringing together about 70,000 workers. A resolution on trade union matters adopted by the CC in October 1925 had taken an ambiguous line on this problem, reflecting the strong pressure then being exercised by most of the heads of enterprises and those who supported their views within the Party. While confirming the need to develop "production meetings," this resolution warned against a "management deviation," in the sense of interfering "directly and without competence to do so in the management and administration of enterprises."^[28] This document refers several times to the resolution adopted by the Eleventh Party Congress, which was then nearly four years old, and which, as we have seen, did not rule out direct intervention by the trade unions and the

workers in the management of enterprises except in "the present state" of Soviet Russia; whereas the situation at the end of 1925 was very different from what it had been then.^[29]

A resolution passed in December 1925 by the Fourteenth Party Congress remained very cautious regarding production meetings, reminding all concerned that the ultimate aim of such meetings was "to give practical instruction to the workers and all the working people in how to run the economy of the country as a whole."^[30]

At the beginning of 1926 a fresh impulse was given to the line, aimed at giving the workers a bigger role in defining the tasks of production. In a report on April 13, (in which he dealt with the work of the CC plenum held at the beginning of the month) Stalin forcefully stressed the need to put a *mass line* into effect in order to solve the tasks of industrialization. The part of his report devoted to this problem emphasized the need to reduce unproductive expenditure to the minimum. It thus

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went against the ideas of the heads of enterprises, who emphasized above all intensification of labor, raising of norms, reduction of wages, and strengthening of labor discipline imposed from above.

What Stalin said on this subject was organically linked with the will to develop industry by means of its own resources, these being constituted first and foremost by the workers themselves. In this connection certain passages in his report of April 13, 1926, were of great importance. Thus, after examining some of the principal tasks to be accomplished in order to advance industrialization, Stalin asked: "Can these tasks be accomplished without the direct assistance and support of the working class?" And he replied:

No, they cannot. Advancing our industry, raising its productivity, creating new cadres of builders of industry, . . . establishing a regime of the strictest economy, tightening up the state apparatus, making it operate cheaply and honestly, purging it of the dross and filth which have adhered to it during the period of our work of construction, waging a systematic struggle against stealers and squanderers of state property -- all these are tasks which no party can cope with without the direct and systematic support of the vast masses of the working class. Hence the task is to draw the vast masses of non-Party workers into all our constructive work. Every worker, every honest peasant must assist the Party and the Government in putting into effect a regime of economy, in combating the misappropriation and dissipation of state reserves, in getting rid of thieves and swindlers, no matter what disguise they assume, and in making our state apparatus healthier and cheaper. Inestimable service in this respect could be rendered by production conferences. . . . The production conferences must be revived at all costs. . . . Their programme must be made broader and more comprehensive. The principal questions of the building of industry must be placed before them. Only in that way is it possible to raise the activity of the vast masses of the working class and to make them conscious participants in the building of industry.^[31]

This speech of Stalin's was followed by a reexamination of the problem of the production conferences by the Central Trades Union Council and by the VSNKh (at that time still

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headed by Dzerzhinsky). In a note which he signed on June 22, 1926, only a few days before his death, Dzerzhinsky did not shrink from declaring that the lack of success of the production conferences was due to "our managers who have not hitherto shown active goodwill in this matter."^[32] As a result of this note, a joint resolution was adopted by the Central Trades Union Council and the VSNKh, calling for the establishment of production commissions in all the factories, with the task of preparing proposals and agenda for the production conferences.^[33]

In the second half of 1926 and at the beginning of 1927 the struggle between a line directed

toward mass participation in management and a line tending to consolidate the dominant position of the heads of enterprises in matters of management, economy, labor discipline, and so on, seems to have become more intense. Nevertheless, neither of these two lines was ever openly counterposed to the other: the conflict proceeded in terms of shifts of emphasis, with the substitution of one word for another having real political significance. Thus, the Fifteenth Party Conference (October 1926) passed two resolutions which again underlined the importance of the production conferences.^[34] These documents looked forward to increased activity by production meetings, with extension of their field of competence alike in general questions and questions of detail, so as to achieve a "form of direct participation by the workers in the organisation of production."^[35] For this purpose it was provided that "temporary commissions for workers' control in a given enterprise" could be set up, and that their functions be defined by the Central Trades Union Council and the VSNKh.^[36]

The resolution on the country's economic situation condemned the line that had been followed by the economic organs. They were accused of having "distorted the Party's directives," with the result that attempts had been made "to effect economies at the expense of the essential interests of the working class."^[37] The resolution demanded that the personnel of the economic organs be decisively reduced in numbers, together with administrative costs, that systems of man-

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agement and decision-making be rationalized, and that a struggle against bureaucracy be launched.

The Fifteenth Conference dealt with the problem of increasing the productivity of labor by stressing "the immense significance of the production-meetings." The resolution adopted said that "without active participation by the worker masses the fight to strengthen labour discipline cannot fully succeed, just as without broad participation by the worker masses it is not possible to solve successfully any of the tasks or to overcome any of the difficulties that arise on the road of socialist construction."^[38]

The adoption of these resolutions was strongly resisted. Some managers feared a reappearance of "workers' control" in the form it had taken in October 1917, while others complained that the controls they already had to put up with constituted an excessive burden.^[39]

In the two months following the Fifteenth Conference the heads of enterprises and the VSNKh seem to have strengthened their positions. The Seventh Congress of Trade Unions, held in December, dealt only cautiously with the question of production conferences and control commissions. The principal resolution voted by this Congress even stressed that the organizing of commissions "must in no case be interpreted as a direct interference in the functions of administrative or economic management of the enterprise concerned."^[40] In practice, the temporary control commissions elected by the production conferences usually consisted of five or seven skilled workers, who dealt with relatively limited questions: analysis of the reasons for a high cost of production, shortcomings in the utilization of labor power, fight against waste.^[41]

Applying the resolutions of the Fifteenth Party Conference, the VSNKh and the Central Trades Union Council jointly decided, on February 2, 1927, to set up temporary control commissions, but subsequent events showed that the commissions thus created did not do very much during 1927. At the Fifteenth Party Congress (December 1927) the negative attitude of the economic leaders and heads of enterprises was mentioned as the reason for this. The plenum of April 1928

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also blamed the trade-union cadres for the poor organization of the production conferences, the infrequency of their meetings, and the lack of interest in them shown by many workers.^[42]

For whatever reason, in April 1928 the production conferences were still not playing the role that the resolutions adopted up to that time had assigned to them.

(c) *The "criticism" movement of 1928*

The April 1928 session of the CC returned to these same problems. In his report of the session, given on April 13,^[43] Stalin dwelt upon the need to develop criticism and self-criticism of a really mass character.^[44] What he said in this connection concerned especially the heads of enterprises, engineers, and technicians:

we must see to it that the vigilance of the working class is not damped down, but stimulated, that hundreds of thousands and millions of workers are drawn into the general work of socialist construction, that hundreds of thousands and millions of workers and peasants, and not merely a dozen leaders, keep watch over the progress of our construction work, notice our errors and bring them into the light of day. . . . But to bring this about, we must develop criticism of our shortcomings from below, we must make criticism the affair of the masses. . . . If the workers take advantage of the opportunity to criticise shortcomings in our work frankly and bluntly, to improve and advance our work, what does that mean? It means that the workers are becoming active participants in the work of directing the country, economy, industry. And this cannot but enhance in the workers the feeling that they are the masters of the country, cannot but enhance their activity, their vigilance, their culture. . . . That, incidentally, is the reason why the question of a cultural revolution is so acute with us.^[45]

This passage thus linked together the theme of the need for *class criticism* coming from the rank and file with the theme of a *cultural revolution* and active participation by the working people in the work of running the economy and the country.

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The way in which these themes were expounded by Stalin shows that at the beginning of 1928 the contradiction between the demands of the preceding stage of the NEP (the stage of restoring the economy and of the first steps taken along the path of industrial development) and the demands of the new stage (the stage of accelerated industrialization) had reached objectively a high degree of acuteness. Industry could no longer advance "by its own resources" unless the workers attacked the practices and social relations characteristic of the previous phase. If this attack did not take place, if the workers did not revolt against the existing practices and social relations, and if this revolt was not correctly guided, but dispersed itself over secondary "targets," then the growth in the contradictions that resulted must inevitably obstruct the development of industry by means of its own resources, leading either to a crisis of industrialization or to a type of industrial development very different from that which the Bolshevik Party wished to promote on the morrow of its Fifteenth Congress.

The year was marked by a serious development of the workers' struggle, but also by the dispersal of this struggle over a variety of targets -- owing to the Bolshevik Party's inability to concentrate it on the main thing, namely, transformation of production relations. What happened in the spring of that year was particularly significant in this connection.

The beginning of 1928 saw several "affairs" coming to a head, affairs which gravely undermined the authority of the heads of enterprises, engineers, and specialists, and also some local and regional Party cadres. Two of these "affairs" were especially important: those of Shakhty and Smolensk. Stalin alluded to them explicitly in his report of April 13, 1928, mentioned above,^[46] and in his speech to the Eighth Komsomol Congress on May 16.^[47]

The first of these affairs gave rise to a trial which was held between the beginning of May and the beginning of July 1928.^[43] The accused in this trial were a number of specialists of bourgeois origin who held managerial posts in the coal mines of the Ukraine. They were charged with sabotage and

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counter-revolutionary activity in conspiracy with foreign powers, and were sentenced to severe penalties.

The second affair was more important politically, for it was provincial Party cadres who were gravely implicated in it. Occurring also at the beginning of 1928, it gave rise to an inquiry by the Party's Central Control Commission, and the conclusions were published in *Pravda* on 18 May 1928. According to these conclusions, a number of Party officials in Smolensk Region had become sunk in corruption and depravity. The results of the investigation were put before a gathering of 1,100 Party members, 40 percent of whom were production workers. The report of the inquiry and the discussion at this meeting show that, at the request of political leaders in the region, 60 persons had been arrested -- although there were no criminal charges to be brought against them, and there had been cases of suicide on the part of workers whose urgent applications had been met with indifference by the leadership, and so on. As a result of these revelations, about 60 percent of the cadres (at every level) in the Smolensk Region were relieved of their posts, and were replaced mainly by worker militants. However, the punishment meted out to the former cadres was not very severe, and the rank-and-file workers were unhappy about this.^[49]

The Smolensk affair was not the only one involving cadres at a regional level and which presented similar features, but it was mainly in connection with this affair that Stalin expounded important themes which found a wide echo in the working class.

These themes were set forth principally in the speech to the Eighth Komsomol Congress. In this speech Stalin stressed that the class struggle was still going on, and that, in relation to its class enemies, the working class must develop "its vigilance, its revolutionary spirit, its readiness for action."^[50] He returned to the need for "organising mass control from below."^[51] What was particularly significant in this speech was that he called for control from below to be developed in relation not only to specialists and engineers of bourgeois origin but also *to the Party cadres themselves and the engineers of working-class origin*. He denounced the idea that

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only the old bureaucracy constituted a danger. If that were so, he said, everything would be easy. He emphasized that "it is a matter of the new bureaucrats, bureaucrats who sympathise with the Soviet Government, and, finally, Communist bureaucrats."^[52]

Stalin then referred to the Smolensk "affair" and some others, asking how it was that such shameful cases of corruption and moral degradation could have occurred in certain Party organizations. This was the explanation he gave: "The fact that Party monopoly was carried to absurd lengths, that the voice of the rank-and-file was stifled, that inner-Party democracy was abolished and bureaucracy became rife. . . ." And he added: "I think that *there is not and cannot be any other way of combating this evil* than by organising control from below by the Party masses, by implanting inner-Party democracy."^[53]

Later, Stalin explained that this control must be exercised not only by the masses who had joined the Party but by the working masses as a whole, and by the working class first and foremost:

We have production conferences in the factories. We have temporary control commissions in the trade unions. It is the task of these organisations to rouse the masses, to bring our shortcomings to light and to indicate ways and means of improving our constructive work. . . . Is it not obvious that it is bureaucracy in the trade unions, coupled with bureaucracy in the Party organisations, that is preventing these highly important organisations of the working class from developing?

Lastly, our economic organisations. Who will deny that our economic bodies suffer from bureaucracy? . . .

There is only one sole way [of putting an end to bureaucracy in all these organisations] and that is to organise control from below, to organise criticism of the bureaucracy in our institutions, of their shortcomings and their mistakes, by the vast masses of the working class. . . .

Only by organising twofold pressure -- from above and from below -- and only by shifting the principal stress to criticism from below, can we count on waging a successful struggle against bureaucracy and on rooting it out. . . . The vast masses of the workers who are engaged in building

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our industry are day by day accumulating vast experience in construction. . . . Mass criticism from below, control from below, is needed by us in order that . . . this experience of the vast masses should not be wasted, but be reckoned with and translated into practice.

From this follows the immediate task of the Party: *to wage a ruthless struggle against bureaucracy, to organise mass criticism from below, and to take this criticism into account when adopting practical decisions for eliminating our shortcomings.*^[54]

While continuing appeals that had been issued earlier, these declarations in the spring of 1928 signified an important step forward as compared with what had been said previously (in particular at the Fifteenth Party Congress). They revealed a shift of emphasis^[55] which was of considerable significance, indicating a new stage in the class struggle and in its effects on the Party line.

(d) The struggle of the poor and middle management and way of training engineers and technicians

Comparison of these declarations with some others shows that new conclusions were then in process of emerging with regard to the existing social relations, their nature, and the forms of struggle needed in order to transform them -- although the question of transforming social relations was not posed *explicitly*.

In his report of April 13, 1928, Stalin questioned the existing regulations concerning managerial functions, in particular Circular No.33 dated March 29, 1926, on "The Organisation of the Management of Industrial Establishments."^[56] He said of this circular that "these model regulations. . . . confer practically all the rights on the technical director," and that it had become an obstacle to the management of enterprises by Communist leaders risen from the working class.^[57]

In the same report, Stalin also raised the question of economic leaders who were Party members of working-class origin but who had begun, he said, "to deteriorate and degener-

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ate and come to *identify themselves in their way of living with the bourgeois experts,*" to whom they were becoming mere "appendages."^[58]

Here we see formulations appearing which suggest that within the Party itself there might emerge a new bourgeoisie, taking over from the old one and forming a "Communist bureaucracy." However, these formulations were not developed, and even those quoted were not to be subsequently repeated with the same sharpness. It is clear, nevertheless, that the

expressions used reflected the development of acute contradictions in the economic apparatuses and also in those of the Party and the State.

It will also be noted that in this same report of April 13 Stalin raised the question of the training of "Red experts." He observed that this training was bad, poorly adapted to industry's needs, bookish, divorced from production and practical experience. He said that an expert trained in this way "does not want to soil his hands in a factory." According to him, such experts were often badly received by the workers and were unable to get the upper hand over the bourgeois experts. In order to change this situation, Stalin advocated that the training of young experts be carried out differently, that it involve "continuous contact with production, with factory, mine and so forth."^[59]

Here, too, a step forward was being made, as compared with the way with which these same problems had been dealt up to that time: we see taking shape a critique of the bourgeois way of training technicians and engineers and a search for something different.

When we analyze this passage, and some others, we can deduce that in the spring of 1928 some new and important formulations were emerging. Today, in the light of the experience of China, and, especially of the proletarian cultural revolution, we find ourselves thinking that if these reflections had been deepened and systematized, they might have led to a more profound challenge to the existing organization of industry; to the relations between the heads of enterprises, engineers, and cadres, on the one hand, and the mass of the

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workers, on the other; to the relation between education and production practice; and, finally, to the practice of the class struggle. Actually, this deepening and systematization did not take place in the Soviet Union, owing to the turn taken by the class struggle in the second half of 1928.

During that year there was a turn in the conditions of the class struggle. The first half of the year saw a rising tide of initiatives and criticisms coming from below and denouncing the authoritarian way in which many persons in leading positions were performing their tasks. Toward the end of 1928, on the contrary, these initiatives ebbed away. Let us look more closely at what happened.

(e) The rise of the mass movement

In the first months of 1928 a growing number of workers began to criticize managers and engineers, blaming them for their attitude, their decisions, and the way they tried to speed up production even going so far as to violate the labor laws and safety regulations.^[60] Before 1928 such criticism had not been made openly, for fear of punishment. The call for mass criticism helped to alter this situation.

Here something needs to be said about the reasons for increased discontent in the working class at the beginning of 1928. To be specially noted are the continued pressure brought to bear to impose higher work norms from above, the serious difficulties affecting the supply of food, and the way in which the managements carried out the transition to three-shift working. This last point calls for some remarks.

It should be recalled that on October 16, 1927, a Party manifesto was published^[61] which provided for a gradual change over from the eight-hour day to the seven-hour day, without any reduction in wages, on condition that productivity per workday was maintained or increased. This decision prepared the way for the change to *three-shift working*, a measure which the

VSNKh had been advocating for some time on the grounds that it would make possible more intensive use of plant, and consequently, more employment.

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The practical implementation of this measure was to be carried out on the basis of agreements made between the trade unions and the economic organizations. Actually, the heads of enterprises had taken steps already in order to arrange matters in the way that suited them. Thus, despite protests from the trade unions, in most textile mills the workers had been obliged to work two half-shifts a day, each of three and a half hours, which disrupted their lives. We find in the press of the time many protests against the way that shiftwork was being introduced, [62] and against the consequences of nightwork for young persons and pregnant women. [63]

A new source of discontent among the workers was thus created which made them readier even than before to challenge some of the decisions taken by the heads of enterprises. Faced with this questioning of their authority, many of the latter, and many engineers, refused to accept that the workers over whom they had hitherto exercised power should dare to criticize their decisions and their behavior. They tried to take reprisals, individual or collective, which only aggravated the tension.

From May 1928 on the heads of enterprises complained increasingly of a "slackening of labour discipline." These complaints arose mainly in heavy industry and the coal mines. The points most often mentioned were: lower productivity and production, increased costs, poor maintenance of equipment, excessive absenteeism. [64]

Between April and June the number of stoppages (some of which might, of course, have been due to technical causes) was greater than during the corresponding period of the previous year, but it is hard to say what the real reasons were for this phenomenon. The managers and engineers may have been responsible, either because they failed to organize the supply of raw materials to the factories, or because they were trying to "prove" that anything that threatened their authority was also a threat to production. Stoppages brought about in that way may have been comparatively numerous. The managers' reports certainly exaggerated the effects upon production of the tension that was developing. Production was still rising

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rapidly, all the same. [65] Moreover, this period saw the advance of a movement of *socialist emulation*, which was most probably stimulated by the development of mass initiative which accompanied the multiplication of production conferences and the open voicing of grievances and criticism.

However that may have been, the heads of the economic organs reacted aggressively to the development of the mass movement which called their "authority" in question. Those journals which expressed the views of the managers and the economic organizations developed a veritable antiworker campaign, writing of the "cultural and technical backwardness" of the workers in general and of the "low cultural level" of the workers of peasant origin in particular - which signified that criticisms or proposals coming from the workers were not worth considering.

The managers' journal invoked the principle of one-person management, as if this were a principle not to be touched, instead of a measure adopted at a particular moment in order to deal with conditions specific to that moment. It wrote: "Soviet principles of management of enterprises and production are being replaced by the principle of election, and, in practice, by the responsibility of those who elect." [66]

In the press of the VSNKh and the economic organs many articles appeared accusing the workers not only of indiscipline and absenteeism but also of plundering, larceny, drunkenness at work, and insulting or assaulting the specialists and administrators. Such things certainly did happen. They expressed the exasperation of part of the working class against the resistance offered by the managers to changes in the organization of production proposed by the workers, and also the workers' resentment of increased work norms imposed from above.

In face of the rising tide of criticism by the working class and the reactions thereto of the managers and the middle cadres of the Party, more and more hesitation was shown as to the line to be followed. Stalin's article "[Against Vulgarising the Slogan of Self-Criticism](#)"^[67] gives clear expression to this hesitation.

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The principal aspect of this article was an appeal for mass criticism to continue. Several passages say this, for instance: "With all the more persistence must we rouse the vast masses of the workers and peasants to the task of criticism *from below*, of control *from below*, as the principal antidote to bureaucracy."^[68]

Or, again:

Nor can it be denied that, as a result of self-criticism, our business executives are beginning to smarten up, to become more vigilant, to approach questions of economic leadership more seriously, while our Party, Soviet, trade-union and all other personnel are becoming more sensitive and responsive to the requirements of the masses.

True, it cannot be said that inner-Party democracy and working-class democracy generally are already fully established in the mass organisations of the working class. But there is no reason to doubt that further advances will be made in this field as the campaign unfolds.^[69]

This formulation thus called for criticism from below to continue. Yet the aims of the movement remained ambiguous. On the problems of discipline Stalin had this to say: "Self-criticism is needed not in order to shatter labour discipline but to *strengthen* it, in order that labour discipline may become *conscious* discipline, capable of withstanding petty-bourgeois slackness."^[70]

In a way, this formulation replied to the complaints of the managers about "slackening of discipline," but it did not reply completely, for it did not say in so many words that the conscious discipline mentioned implied, above all, *new forms of discipline*. This lack of precision left a gap affecting the orientation of the mass movement.

Similarly, where problems of management were concerned, the formulations remained ambiguous, as here: "Self-criticism is needed not in order to relax leadership, but to *strengthen* it, in order to convert it from leadership on paper and of little authority into *vigorous* and really *authoritative* leadership."^[71] This formulation does not say whether the *forms of leadership* had to be changed or not, nor does it say who is to lead, or the

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basis on which the authority of the leadership is to be founded.

As well as these ambiguities, this document of June 1928 contained a certain number of remarks which were to be seized on by the opponents of the mass movement, remarks which reflect hesitation and fear inspired by the scope that the movement was attaining. One of these remarks warned against certain "destructive" criticisms the aim of which was not to improve the work of construction.^[72] The local cadres and managers were not slow to make use of such a remark to condemn as "destructive" any criticism or proposal that they wished to brush aside.

Another remark entailed more immediate consequences for the future development of the movement, namely:

It must be observed . . . that there is a definite tendency on the part of a number of our organisations to turn self-criticism into a *witch-hunt* against our business executives. . . . It is a fact that certain local organisations in the Ukraine and Central Russia have started a regular *witch-hunt* against some of our best business executives. . . . How else are we to understand the decisions of the local organisations to remove these executives from their posts, decisions which have no binding force whatever and which are obviously designed to discredit them?[73]

This remark shows the wide scope the movement had attained, and also the *limits* within which it was considered to be acceptable. Since these limits were being transcended, what was ultimately at issue was whether support would continue to be given to it, or whether brakes were to be applied to its development.

Actually, during part of the second half of 1928 the movement still went forward, and even assumed dimensions that worried the Party leadership more and more. Thus, in November 1928, Kuibyshev, addressing the plenum of the VSNKh, denounced the situation which had been created by saying: "The formula: 'public opinion is against him' has already become typical." He went on to explain that when the head of an enterprise or a trust found himself in this position, "he has no alternative but to depart, to abandon his post." [74]

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This statement constituted a warning against the continuance of a movement which, while becoming widespread, nevertheless threw up no new forms of organization, discipline, and leadership. For lack of proper guidance, the movement of criticism from below failed to organize itself or to bring about a real transformation of social practices and relations.

(f) The ebbing of the mass movement

Under these conditions, the mass movement began to weaken toward the end of 1928. The accounts we have of it (mostly unfavorable to real change) give the impression that the workers' discontent found dispersed expression in individual acts: attacks by a few workers (usually youngsters, and sometimes Komsomols) on particular engineers, technicians, managers, etc. The situation was, however, one in which these more or less isolated acts were not looked on with disapproval by those workers who knew about them, including some Party members.

Through failing to rise to a new stage and through ceasing to be supported, the movement ran out of steam. True, at the end of 1928 the Eighth Congress of the Trade Unions voted a resolution providing for extension of the production conferences and temporary control commissions.[75] But these commissions played no great role, and even tended to disappear in 1929. As for the production conferences, while they were held more or less regularly, they performed only routine tasks.

In 1929, then, it was the struggle to consolidate existing relations that triumphed.

The speed with which the movement of criticism from below began to ebb may seem surprising. It is perhaps to be explained by the conjunction of a number of factors. First, the movement ceased to be supported by the Party's basic organizations, since emphasis had been laid once more upon the importance of factory discipline, and the basic trade-union organizations hesitated more and more to give their backing to initiatives which no longer enjoyed the Party's approval. Sec-

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only, as we shall see, fresh powers were granted to the heads of enterprises, so that they now possessed more effective means to "restore discipline," and were encouraged to make use of them. Finally, the movement, which developed very unevenly, became divided and weakened when it no longer had support from the Bolshevik Party.

IV. The struggle to consolidate existing relations and for a labor discipline imposed from above

What has been said already about the way with which the problem of fixing work norms was dealt has shown that, along with the struggle to transform existing relations, a struggle was also being waged for the maintenance and consolidation of these relations. From February 1929 on it was *this* struggle that played the principal role.

On February 21, 1929, the CC issued an appeal to all Party organizations to *concentrate all their efforts on strengthening labor discipline*.^[76] On March 6, 1929, the Council of People's Commissars increased the disciplinary powers of managers.^[77] They were called upon to penalize more strictly all breaches of regulations, and to inflict severe punishment on workers who did not conform to the orders of the management. Respect for factory discipline became for the workers a condition necessary if they were to obtain any social advantages -- which included securing or retaining a place to live. The authority of the managements was further increased by a ban placed on interference by Party or trade-union organizations in matters connected with the management of enterprises.

The development of the struggle for discipline imposed from above and against any "interference" in the activity of management was closely bound up with the decision to go over to the realization of an accelerated industrialization plan, which was seen as the only answer to the agricultural difficulties which, from then on, the Party sought increasingly to

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solve through mechanization and collectivization. It was also bound up with the circumstance that this industrialization drive implied entry into the ranks of the working class of workers of peasant origin, toward whom the Bolshevik Party felt the same mistrust as toward the peasants in general.

The terms of the circular of February 21 were very explicit. It said that labor discipline was deteriorating as a result of "the attraction into production of new strata of workers, most of whom have ties with the country. Because of this, in most cases rural attitudes and private economic interests dominate these strata of workers. . . ."^[78]

The Sixteenth Party Conference opened on April 26. One of the principal items on the agenda was adoption of the First Five-Year Plan (which the conference did indeed adopt) in its "optimal" -- actually, maximal -- version. Kuibyshev, one of the three rapporteurs on this item of the agenda, was the spokesman for the Party line. One highly important aspect of his report consisted of very firm declarations regarding reinforcement of labor discipline,^[79] about which he repeated statements made by Lenin in 1918 in utterly different circumstances.

The toughening of labor discipline required far-reaching changes among the trade-union cadres, who, in 1928, had often associated themselves with struggles against the omnipotence of management. Such changes were all the more necessary because a number of these trade-union cadres (starting with Tomsky, the chairman of the Central Trades Union Council) had reserves about the targets of the industrialization plan, which, as they saw it, could only be

carried through if an unacceptable intensification of labor and a lowering of real wages were imposed on the working class.

During the last months of 1928 the Party leadership attacked the positions of those who opposed increases in output norms imposed from above. In December 1928, at the Eighth Congress of the Trade Unions, these opponents, including Tomsky, found themselves in a minority. Kaganovich, a supporter of the tightening-up of labor discipline, entered the Trades Union Council to represent the Party Secretariat.

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Tomsky wanted to resign from the CC at this moment, but his resignation was rejected.^[80]

Between January and May 1929 the trades councils of the principal towns were reorganized. In May 1929 Tomsky was removed from the Central Trades Union Council, along with his closest supporters, which meant almost the entire central leadership of the trade unions. In the month that followed the changes of personnel spread to the chief trade-union federations, and then to the basic organizations of the unions.^[81]

During 1929 the Party's activity in the sphere of industry was aimed mainly at strengthening labor discipline and restoring the authority of management.

The slogan of self-criticism did not disappear, of course, but hereafter it was linked closely with the slogan of emulation, and acquired an essentially "productionist" significance -- a point to which I shall return.

At the beginning of September the CC took a decision aimed at ensuring strict application of the principle of one-person management, condemning tendencies on the part of Party and trade-union organizations to interfere in management matters. The manager and the administration were to be regarded as solely responsible for realizing the industrial and financial plan and fulfilling production tasks, and for this purpose full power was concentrated in their hands. The Party and trade-union organizations were called upon to strengthen the authority of managements. Political discussion during working hours was forbidden: enterprises must not be transformed into "parliaments."^[82]

At the beginning of December 1929 changes were introduced into the organization of industry: all commercial and administrative functions were concentrated in large "Industrial Unions," so as to strengthen the system of one-person management at the level of the factories and workshops.^[83]

Thus, the circle was closed. An end had been put to the unsettling of the system of one-person management which had accompanied the rise of the movement of criticism and self-criticism in the year 1928. The exigencies of the industrializa-

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tion plan took precedence over the changing of production relations.

V. Taylorism and socialist emulation

During the NEP period the major aspect of the struggle against the reproduction of elements of capitalist production relations at the level of the immediate production process was constituted by the rise of the movement of criticism and self-criticism which developed in 1928

within the framework of the production conferences. As we have seen, however, this movement proved incapable of progressing beyond relatively narrow limits. Similar observations can be made regarding the movement aimed at developing a sort of "Soviet Taylorism."

(a) *The attempt to develop "Soviet Taylorism"*

At the heart of the immediate production process is the carrying out, by each worker who belongs to a production unit, of precise tasks which are linked with the tasks carried out by the other workers. The regular functioning of the production unit depends on the regularity of everyone's work.

With the development of capitalism, various procedures have been perfected by capital in order to subject each worker to a particular task and ensure that he carries out this task in the shortest possible time -- procedures which tend increasingly to deprive the workers of all initiative and reduce them to mere cogs in a mechanism dominated by capital.

Marx revealed this inherent tendency in capital to try and subordinate the wage worker completely, intensifying its exploitation of labor power.

In *Capital* he notes:

Not only is the specialised work distributed among the different individuals, but the individual himself is divided up, and trans-

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formed into the automatic motor of a detail operation. . . . The knowledge, judgment and will which even though to a small extent, are exercised by the independent peasant or handicraftsman . . . are faculties now required only for the workshop as a whole. The possibility of intelligent direction of production expands in one direction, because it vanishes in many others. What is lost by the specialised workers is concentrated in the capital which confronts them.[84]

The "scientific organization of work" conceived by the American engineer Taylor, and named "Taylorism" after him, was the most highly developed form of the capitalist labor process at the beginning of the twentieth century.[85] The Soviet government was confronted from the outset -- and more so than ever during the NEP period -- with the problem of forms of organizing work, and of the place that might be given to a transformed "Taylorism," which would acquire a new significance and become "Soviet Taylorism." [86]

Well before the October Revolution Lenin produced the notion of a sort of "socialist Taylorism." He wrote (in March 1924 [1914-- DJR]):

The Taylor system -- without its initiators knowing or wishing it -- is preparing the time when the proletariat will take over all social production and appoint its own workers' committees for the purpose of properly distributing and rationalising all social labour. Large-scale production, machinery, railways, the telephone -- all provide thousands of opportunities to cut by three-fourths the working time of the organised workers, and make them four times better off than they are today. [87]

Here we see appearing the conception of a *reversal of the class effects of Taylorism*. Under the domination of capital, the latter *expropriates* the workers' knowledge and reduces them to subjection; under the Soviet regime, "Taylorism," taken over by the workers, ensures *reappropriation* by the workers of a body of knowledge which they apply collectively in order to master the process of production together.[88]

In Lenin's writings about the Taylor system between 1918 and 1922 two ideas constantly recur: that of the workers mastering technique and the "science of work," whereby they

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would dominate the production process by learning to "work better," and that of a reduction in the working day, made possible by increased productivity, which would enable the workers to take charge of affairs of state in a concrete way. The attempts made to "transform" the Taylor system into a "Soviet" system failed. Outwardly, this failure was due to the existing forms of labor discipline and the role played by the one-and-only manager and the specialists who kept the direction and organization of the production process in their hands. More profoundly, it was due to the very nature of "Taylorism," which "codifies" the separation of manual from mental work (in conformity with the tendencies of the capitalist mode of production), and is therefore incapable of doing away with this separation, for that implies collective initiative in a continuous process of transforming the production process, and not merely the "appropriation" of "knowledge" formed on the basis of the preliminary separation of manual from mental work.

However, the failure to create "Soviet Taylorism" does not mean that the Soviet Union did not see repeated attempts to implement the Taylor system, or some elements of this system, on the initiative of various organs.

These attempts were often made by the managements of large enterprises, who promoted time-and-motion study and, on the basis of the results obtained, altered the way work was organized in the workshops and laid down norms for the fulfillment of the various tasks. (I shall come back later to this problem of the fixing of work norms, which cannot be identified merely with "Taylorism.")

The idea of a "Soviet Taylorism" to be undertaken by the workers themselves or by their organizations was, nevertheless, not lost sight of during the NEP period. At the end of 1922 the Central Trades Union Council set up a "central labour institute" for the purpose of popularizing "the scientific organisation of work" (NOT, from *Nauchnaya Organizatsiya Truda*). One of the heads of this institute, Gastev, was a former member of *Proletkult*.^[89]

Not long after the foundation of this institute, another

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former member of *Proletkult*, Kerzhentsev, denounced its activity, because he saw in it the devising of an instrument to exercise pressure on every worker. Kerzhentsev then formed the "League of Time," which he placed under the aegis of NOT but with the aim of developing *among the workers themselves* a movement for "more rational" use of time. The League blamed the CLI for trying to "civilise" the workers "from above," by "creating an aristocracy of the working class, the high priest of N.O.T."^[90]

Eventually, in 1924, at the insistence of the Party leadership, the two movements merged, but, even when thus united, they failed to play much of a role. What they actually did was concerned much more with the introduction of a sort of speeded-up vocational training than with the organization of work and the establishment of work norms. The CLI claimed to be able to train a "skilled" worker in three months, instead of the twelve months required by the factory training schools. Its methods were approved by a resolution of the Party's CC on March 11, 1926.^[91] What was actually involved, with a view to rapid industrialization, was the quick training of "detail workers" who were not given any overall view of technology.

At the beginning of 1928 Gastev, who was still the head of the CLI, confirmed this orientation when he said:

The time has gone beyond recall when one could speak of the freedom of the worker in regard to the machine, and still more in regard to the enterprise as a whole. . . . Manoeuvres and motions at the bench, the concentration of attention, the movement of the hands, the position of the body, these elementary aspects of behaviour become the cornerstone. Here is the key to the new culture of work, the key to the serious cultural revolution.[92]

These conceptions of the CLI[93] were attacked by N. Chaplin, spokesman of the Komsomol, who declared that this institute wanted to turn the worker into a mere "adjunct of the machine, not a creator of socialist production," and that Gastev's ideas were the same as those of Ford, the American motor car manufacturer.[94]

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However, as a result of the pressure of the industrialization process in the form which it then took, the CLI's conceptions prevailed. They were approved, in practice, by the November 1928 meeting of the CC.[95] Finally, after the Sixteenth Party Conference, in April 1929, had approved the Five-Year Plan, criticism of these conceptions was no longer expressed, except episodically.

Actually, the role of the CLI in the organization of work and the fixing of norms remained minimal. Thus, in 1928, the *Outline of Political Economy* by Lapidus and Ostrovityanov mentioned the role which the institute *could* play, in raising output, in a situation when "the very methods used by the workers in their work are frequently out of date. . . . The productivity of labour also suffers by the fact that every worker executes several operations, and in doing so loses time in the changing of instruments and materials and the adaptation of machinery." [96]

On the eve of the abandonment of NEP the idea of a "Soviet Taylorism" had not been given up altogether, but no practical steps had been taken to implement it. What had taken shape was a wages system based on norms laid down by the heads of enterprises and the planning organs, under conditions that varied widely from case to case, and corresponding to a system of piece wages, often accompanied by bonuses.

(b) *Piece wages and work norms*

The question of piece wages is considered here as a factor in the immediate production process and a form whereby the agents of production are subjected to a certain pace and intensity of work. The general problem of the *wage relationship*, of its integration in a commodity-producing system, and of the effects of this system upon the general conditions of *social reproduction* will be examined in the course of subsequent chapters.

The first decisions establishing the framework regulating piece wages which continued to prevail during most of the

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NEP period were taken in the autumn of 1921. On September 10 of that year a decree provided for wages to be fixed *by way of negotiation* between workers and the enterprises that employed them.[97]

This decision was linked with the establishment of the "financial autonomy" of enterprises (*khozraschet*), which will be discussed later. *It was explicitly aimed at relating the wages actually received by each worker to the "value" of what he produced.* It excluded from wages everything in the nature of "social maintenance," which was to be the responsibility of the state's organs and nothing to do with the separate enterprises. The state regulation of wages which existed under "war communism" was thus abolished, with the only regulation left in

force being the state's fixing of a *minimum wage*.

Wage negotiations permitted the making of *individual contracts*, but, from November 1921 *collective agreements* were also negotiated between the trade unions, on the one hand, and, on the other, the managements of enterprises or the economic administrations.^[98]

The arrangements thus made allowed the enterprises and the economic administrations to vary the numbers employed in accordance with the volume of production to be obtained, and to fix wages and work norms which would enable the enterprises to *cover their costs*, taking into account the *prices* at which they bought and sold.^[99] Intervention by the trade unions did not always suffice to limit the effects, on wages and norms, of the right thus conferred on enterprises to vary them both.

The pressure brought to bear by the heads of enterprises to revise work norms in an upward direction (and so to reduce the actual earnings of those workers who were less successful in fulfilling the new norms) was felt more than once during the NEP period, even before the problems of achieving a rapid development of industry were faced.

From 1924 on the Bolshevik Party showed itself favorable to a *systematic extension of piece wages*. A resolution adopted by the CC in August of that year emphasized the need to

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increase the productivity of labor, required that there be *periodical revision of work norms and piece rates*, and called for removal of the existing restrictions on payment of bonuses for exceeding the norms.^[100] The trade unions, which, up to that time, had maintained a certain reserve where piece wages were concerned, now declared themselves more and more in favor of an extensive use of material incentives.^[101]

During the months that followed, the managements of enterprises carried out a general revision of work norms -- without any improvement in equipment or even any serious modification in the way work was organized. In 1924-1925 the productivity of labor per person-day increased by 46 per cent.^[102]

The pressure for higher productivity of labor (above all, for higher intensity of labor) led to a substantial increase in industrial accidents: in the mines they rose from a rate of 1,095 per 10,000 in 1923-1924 to 1,524 per 10,000 in 1924-1925.^[103] The extension of piece wages and the raising of the norms imposed by managements provoked strong resistance from the working class. At the end of 1925 the Fourteenth Party Congress recognized that mass strikes had taken place without the trade unions, the Party organs, or the economic organizations having been informed: "the trade unions' lack of concern for the workers" was condemned, together with the "unnatural bloc between trade unions, the Party and the Red managers."^[104]

The workers' resistance to revision of the norms had as its chief consequence an upward revision of wage rates. Workers' earnings increased by between 10 and 30 percent in 1924-1925. In September 1925 the actual average monthly wage was 51 roubles, whereas the average wage provided for by Gosplan for September 1926 was 48 roubles.^[105] This is a fact of great importance: it shows clearly that *the actual level of wages depended more directly upon the course of workers' struggles than upon the decisions taken by the planning organs*.

In fact, these increases in wages appear to have been the price that the managements of enterprises had to pay in order to get acceptance of what then seemed the main concern,

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namely, generalization of the system of norms and piece wages. And this generalization did indeed make progress. In 1925 between 50 and 60 percent of the workers in large-scale industry and mining were paid at piece rates.^[106] In 1928 an inquiry carried out in a certain number of large-scale industries showed that between 60 and 90 percent of the workers were on piece rates.^[107]

The extension of piece wages also encountered a certain amount of resistance within the Party. This began among the rank and file, with Communists joining in "unofficial strikes" and being threatened with expulsion for doing so,^[108] but it was expressed also in leading circles, even among those who supported the line of the majority in the Political Bureau. Thus, at the end of 1925, at the Fourteenth Party Congress, A. Andreyev, while supporting the resolution in favor of piece wages, described this system as a capitalist method which had to be made use of for the time being, "because of the technical inferiority of our equipment."^[109]

During the entire NEP period, indeed, resort to payment at piece rates was basically regarded as a transient measure dictated by circumstances. This attitude was still being given clear expression in 1928 by Lapidus and Ostrovityanov, when they wrote that lack of labor discipline among the workers

forces the Soviet organs (in agreement with the trade unions) to ensure that the very forms of wages should incite them to increased diligence. *This explains the existence of standards of output and piece-work payment in Soviet state industry.* Obviously, in distinction from the capitalist system, these measures are of a temporary character in Soviet Russia; as the socialist consciousness of the worker is developed and as the old individualist outlook is outlived, both piecework and the compulsory minimum standard will become unnecessary.^[110]

The implications of the system of norms and piece rates obviously varied in accordance with the concrete conditions under which the norms and rates were determined. From this point of view the year 1926 -- the first year of the "reconstruction period," which saw the start of a policy of accelerated industrial development -- was a *decisive year*.

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Until then, the norms and the wage rates corresponding to them had mainly been fixed by collective agreements (at the level of branches of industry, of regions, of trusts or of enterprises) which gave rise to very little argument between the economic organs and the trade unions, and had to take into account the reactions of the workers concerned, who were probably consulted -- at production conferences, for instance. The fixing of rates and norms was thus directly influenced, up to a certain point, by the concrete conditions in which the production units functioned and by the attitudes taken up by the workers in these units. In spite of this, the economic organs (which were called upon by the Party to bring down the cost of production) were far from heeding the workers' aspirations, to which the unions (often connected with the managements of enterprises) gave only partial expression, and so it happened that the norms were increased to such an extent that the workers' monthly earnings suffered reduction. This was the case in 1926, when the Party, in a declaration issued on August 16, denounced the "masked wage-reductions" which had been effected in this way.^[111]

The Party then decided to take charge of the decisive factors in the fixing of wages, so that the establishment of norms and wage rates became *the result of decisions taken previously at the highest level*, and the role of the collective agreements was considerably reduced.

After September 1926 the procedure followed was formally this. The PB, after discussion with the VSNKh and the trade unions, fixed the growth rates for the coming year so far as productivity and wages were concerned, together with the relations between them, and these rates then became part of the economic plan. Collective agreements came into the picture only in a second phase. They were concluded between the industrial trusts and the corresponding

unions, and took account of the planned targets, being concerned not merely with wages, as had been the case up to then, but also with productivity and production norms.

As a result of this procedure, norms came increasingly to be fixed without regard to the concrete conditions under which

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enterprises functioned, and their actual organization. They tended to become a constraint imposed from above upon the agents of the production process. Collective agreements became mainly a mere means of confirming and specifying the targets which had been laid down as a whole by the planning organs.

During the last months of 1926 the trade-union press published a number of articles expressing fear lest collective agreements be transformed into instruments for imposing on the workers wage rates, norms, and working conditions which had been decided, in practice, by the economic plan, without regard to any negotiations.^[112]

What was to be seen, in fact, in 1926, the first year of the period of industrial reconstruction, was a *process of increasing restriction of the role played by the trade unions and the trade-union committees in the enterprises* in the fixing of wages and working conditions. In 1927 there were conflicts over this issue between the unions and the VSNKh, which were settled by the Commissariat of Labor. In October 1927 the VSNKh and the Central Trades Union Council declared their intention to solve by common consent the problems arising from the roles played by the plan and by collective agreements, respectively, in the fixing of wages and norms. Collective agreements continued, in principle, to be discussed in the factories, but at meetings which were held in order to impart information, not to take decisions.

During 1927-1928 these workers' meetings exercised a certain amount of influence upon the content of the collective agreements, but from the autumn of 1928 on, when the principle of one-person management was reinforced, their role was reduced. In autumn 1928 the pre-eminence of the plan over collective agreements was affirmed by Gosplan and the Commissariat of Labor. Thereafter, when collective agreements were concluded, discussion of norms and wage rates played only a secondary role.^[113]

Nevertheless, the reduction in the role of the trade unions and the collective agreements in the fixing of norms and wages cannot be equated with "establishment of control" by the planning organs over the movement of wages and of produc-

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tivity. The workers, though no longer called upon to participate concretely in the fixing of wages and work norms, resisted to some extent such increases in productivity as they considered unacceptable, and often succeeded in securing wages that were higher than had been provided for by the plans. The disparities between the "targets" of the plans and the actual evolution of wages and output enable us to perceive one aspect of the workers' struggles, although these disparities were due not only to such struggles, but also to defects in the way production and the supply of raw materials to enterprises was organized, and the unrealistic character of some of the tasks laid down by the plans, which had not been submitted to genuine mass discussion in the enterprises.

In all events, the way of fixing production norms which became increasingly predominant toward the end of the NEP period -- in connection with the aims of a rapid process of industrialization conceived in a centralized way at the level of the state's technical organs -- was not favorable either to realism in planning or to support by the mass of the workers for the

targets fixed where output and wages were concerned. The bottlenecks resulting from this state of affairs were a cause of internal imbalances in industry and failures to fulfill the plans for reducing industrial costs,^[114] and this increased the contradictions between industry and agriculture and between industry's need for finance and its capacity to accumulate. These factors contributed to aggravating the final crisis of NEP. Moreover, the introduction of piece rates, material incentives, and wage differentials brought about splits within working groups. It strengthened individualism and led to demands for wage increases, because the lower-paid workers found their position all the less acceptable when they saw that others were getting much higher wages for the same number of hours' work.

(c) Splits in the working groups and inequality of wages

The inequality of wages that existed under the NEP corresponded not merely to the introduction of piece rates but also,

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and more profoundly, to the hierarchical structure of the "collective laborer," to the very form of the labor process and the type of differentiation that existed between the agents of production.

This differentiation had its origins in history (in the form of the labor process in the former capitalist enterprises and its effects on the structure of the working class), but it was reproduced and transformed under the impact of class struggles. These either modified or consolidated the historically given structures of the labor process. In view of the inadequacy of the information we possess concerning the changes, or the absence of changes, in the characteristics of the labor processes, a study of the way wage differentials evolved can provide us with valuable pointers in this regard.

The first thing we observe is that the introduction of NEP and resumption of industrial production was accompanied by a widening of the spread of wage levels, which tended to copy the prewar pattern. Thus, whereas in 1920 (a year when industry was almost paralyzed) a skilled worker earned, on the average, only 4 percent more than an unskilled laborer, in 1922 the gap between their respective earnings was 65 per cent.^[115] In 1924 the first category of wages was, on the average, twice as large as the second.^[116] These overall figures can be illustrated from an investigation carried out in a foundry in Moscow in March 1924, which showed that an unskilled laborer earned 16 to 40 roubles a month, whereas a founder earned 31.95. In this same enterprise, a head of a department earned 79.67 roubles, and the manager of the whole enterprise 116.08 roubles.^[117] Moreover, the heads of enterprises received special bonuses and percentages and enjoyed various benefits in kind. At that time there were, in general, seventeen levels of wages, and the ratio of the lowest to the highest was 1:5. It could even be 1:8, with the highest rates being paid to the administrative and technical personnel.^[118]

Between 1924 and 1926 inequalities in wages tended to increase, being accentuated by the practice of paying piece wages and awarding bonuses. A struggle developed between those who were for reducing these inequalities and those who

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saw them as corresponding to a "necessity." Thus, in March 1926, at the Seventh Congress of the Komsomol, one of the leaders of this organization declared: "Among the young . . . the tendency toward equalisation is highly developed: to make all workers, skilled and unskilled, equal. The mood is such that young workers come to us and say that we do not have state

enterprises, enterprises of a consistently socialist type as defined by Lenin, but that what we have is exploitation"^[119]

According to an investigation carried out in March 1926, workers' wages were often between 13 and 20 roubles a month, while a manager could be getting as much as 400 roubles (plus various material privileges in the form of housing, a car, and so on). For technicians and managers who were Party members the level of wages was usually a little lower, but on the average it came to 187.9 roubles for managers.^[120]

The Seventh Trades Union Congress (December 1926) echoed the discontent of the less skilled workers. Tomsky, chairman of the Central Trades Union Council, said in this connection: "In future we must work towards reducing the gap between the wages of the skilled worker and those of the ordinary worker."^[121]

No clear line on this question emerged at that time. Whereas in 1927 the position of the trade unions and that of the Congress of Soviets tended to favor a reduction in inequality, the Fifth Komsomol Conference condemned the "egalitarian aspirations" of the "backward sections of working-class youth."^[122]

Toward the end of the NEP period the differences in wages obtaining in the working class constituted a source of division and discontent, especially among the youth. At the Eighth Komsomol Congress a delegate did not shrink from saying that some workers were "strutting about like peacocks" while others were almost "beggars."^[123] At the end of 1928 the Eighth Trades Union Congress tried to deal afresh with the problem, but the Party, which was more and more concerned with encouraging a larger number of workers to learn a trade, condemned the critical attitude to differentials. As we know, the trade-union leadership elected by this Eighth Congress was

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eliminated in 1929. A few years later, the positions adopted by the Eighth Trades Union Congress were to be stigmatized as the symptom of an "extensive development of petty-bourgeois egalitarianism."^[124]

Generally speaking, despite some contrary currents due mainly to pressure exerted by the worst-off strata of the working class, and by the youth, it was the tendency to consolidate inequality in wages that predominated during the NEP period. This tendency was linked with the reproduction of hierarchical forms in the immediate production process, but it was also reinforced by certain ideological notions, two of which were particularly important.

The first of these related to a distinction that was frequently drawn between workers who had been in industry for a long time and had acquired a trade, and those who were more or less "casual workers," laborers recently arrived from the country, often destined to return there, and still impregnated with "peasant mentality." It was essentially the first of these categories that the Party and the trade unions looked upon as the "real proletariat," whose material interests (and so, whose comparatively high wages) had to be defended: they constituted the firmest pillar of Soviet power. The material interests of the other workers often seemed like those of a mere semi-proletariat, which ought, of course, to be safeguarded, but more for reasons of social justice than for strictly political reasons.

The second of these notions tended to cause a relatively large differentiation between wages to be accepted as "necessary." This differentiation was usually justified by reference to the "technical level," the decisive role of the skilled workers in a production process which was still of a semihandicraft nature, with machines and mechanization entering into it very little. This notion was expressed, for example, in December 1926 by Tomsky at the Seventh Trades Union

Congress. After commenting that in the USSR wage differentials were "colossal" and not to be compared with those observable in Western Europe, he added: "One of the causes [of this situation] is that our technical equipment is still very backward. Individual skill, craft tradition and so on still play too big a role: the

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automatic machines which simplify the worker's task and bring in automatic methods are too little used."^[125]

The predominant factor justifying the big differences in wage levels thus seemed to be "technical" in character, and so reduction of these differences seemed to depend mainly on "development of the productive forces."

(d) *Socialist emulation*

Although what was characteristic of the NEP was a strong tendency to reproduction of the existing forms of the production process, some movements did develop which, to varying degrees, sought to challenge these forms, or seemed capable of doing this. This was one significance of the attempts made to develop a "Soviet Taylorism,"^[126] and, even more so, of the struggles in the first months of 1928 directed toward effecting a certain change in production relations.

For a time, the development of *socialist emulation*, too, seemed likely to lead to a challenge to the existing form of the production process. This was mainly true of the period from 1926 until the second half of 1928. The development in question deserves to be examined, even if only cursorily, for it is all the richer in lessons because the defeat suffered by the revolutionary aspects of the movement, and the reasons for this defeat, were closely linked with the final crisis of the NEP.

The movement for socialist emulation was, at the start, an attempt by the advanced elements of the working class to take in hand *certain factors in the production process*, so as to speed up the growth of industrial production. It had, undoubtedly, a "productionist" aspect, but at the same time it indirectly called into question the authority of management and of the technical cadres.^[127] It originated as a movement led by a section of the young workers and encouraged by the Komsomol. This was the situation in the autumn of 1926.^[128]

During 1927 the leading economic organs, especially the VSNKh, increasingly came to see in this movement a means of raising the productivity of labor while keeping within financially tolerable bounds the investment effort

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called for by the two variants of the First Five-Year Plan that were then being drawn up. It was principally a matter of encouraging the workers to increase the intensity of labor, but also to "rationalize" the production process: this was, indeed, a period when the active role of the production conferences was developing.

In the autumn of 1927, however, the components and characteristics of the movement of socialist emulation tended to alter: rank-and-file initiatives were gradually pushed into the background by systematic intervention on the part of the central economic organs, which called for "emulation between heads of enterprises, trusts, etc."^[129] In this way emulation on the national scale and emulation at the local level were organized as parallel processes. On its part, the Komsomol continued to promote a socialist emulation that mainly took the form of

"Communist Saturdays," when workers worked without pay, and of undertakings to increase production or to carry out exceptional tasks, these undertakings being adopted by teams or groups of workers who formed "brigades" of "shock-workers" (*udarniki*).

It is very hard to distinguish, in the movement which developed in 1928, between the element of genuine enthusiasm, and sometimes of challenge to the authority of the heads of enterprises, and the element of mere adhesion to a productivity campaign organized from above, which the workers felt more or less obliged to support.

In any case, in the summer of 1927 the movement was given a certain institutional character by the creation, through a decree of July 27, of the title of "Hero of Labor." This was, moreover, no mere title: attached to it were material advantages such as exemption from taxes, priority in getting somewhere to live, a pension, and so on.^[130]

The drift toward a more "managerial" form of emulation is to be seen in the decree of June 14, 1928, which credited an enterprise with between 25 and 50 percent of the savings realized through emulation, and charged the head of the enterprise with responsibility for using this credit in conforming with certain guidelines relating mainly to "rationalization" of

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production and improvement in the conditions of labor.^[131]

September 1928 saw the creation of the order of the Red Banner of Labor, which could be awarded not only to individuals but also to enterprises, institutions, and groups of workers.^[132]

On the eve of the official adoption of the First Five-Year Plan -- and even more so after it had been adopted -- the "productionist" character of the socialist emulation campaign was accentuated. The publication in *Pravda* on January 20, 1929, of a previously unpublished article by Lenin (which he had written in January 1918 but had decided not to publish at the time of the Brest-Litovsk negotiations), entitled "[How to Organise Competition?](#)"^[133] was the starting point of a vast campaign for organizing shock-brigades and signing pledges to exceed work norms. Thereafter, a large number of factories and mines entered the emulation campaign, which became combined with the drive launched since the end of 1928 to tighten up labor discipline.

The dual aspect of this movement for emulation was well reflected in the article by Stalin which *Pravda* published on May 22, 1929. He showed that socialist emulation could be based only on the enthusiasm of the working masses, on the "energy, initiative and independent activity of the masses," and that it must liberate "the colossal reserves latent in the depths of our system";^[134] but Stalin also mentioned in this article that the emulation movement was threatened by those who sought to "canalise" it, to "centralise" it, to "deprive it of its most important feature -- the *initiative* of the masses."^[135]

In actuality, the "centralizing" aspect ultimately triumphed over the "mass initiative" aspect. The latter was held back by the limits imposed upon it by the principle of one-person management, the targets of a plan decided from above, and the "technical regulations" laid down by the engineers.

Gradually, emulation came to have the effect of setting against each other different groups of workers, and even individual workers: the "best performances" were used by the heads of enterprises to revise work norms upward and increase the intensity of labor. The Soviet press of the time mentioned

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cases of this sort, in order to condemn them,^[136] but this did not prevent them from recurring. The warnings put out by the Trades Union Council^[137] provided no more serious an obstacle to this tendency, which was encouraged by the fact that the leading economic organs were calling on the enterprises to "overfulfill" the plan. Production did indeed increase, but the Central Trades Union Council declared that this increase was being achieved at the cost of "violation of the labour laws and collective agreements and worsening of the situation of the working class."^[138]

Toward the end of 1929 the distortions undergone by "socialist emulation" caused growing discontent among the workers, for the raising of the norms entailed a reduction in the earnings of those who could not fulfill them, while "production commitments" undertaken without genuine consultation of the masses led managements to cancel the workers' rest days over a period of several weeks.^[139]

The reports in the Smolensk archives show that from May 1929 on there were numerous manifestations of workers' dissatisfaction with the "production commitments" and increased work norms decided upon one-sidedly by the managements of their places of work. This dissatisfaction even gave rise to strikes, especially in the mines.^[140] A general report "on the position of the working class in the Western Region" shows that, very often, the workers were not even kept informed of "production commitments," or of the "challenges" that their enterprises threw down: they did not know what was expected of them, but they were aware that the norms had been increased without any increase in wages, and they consequently took up a negative attitude.^[141] This report concludes:

Such attitudes can be attributed in the first place to workers who are connected with agriculture and who have recently come to the factories. This category participates least of all in productive life and to some degree influences the backward workers. It is necessary to say that at the present moment, in connexion with the survey of socialist competition *which has been carried out in*

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the enterprises by the economic organs and their apparatuses, in a number of places there is exceptional apathy and sluggishness.^[142]

The situation thus described prevailed in most regions toward the end of 1929. This situation was closely connected with the fact that the fixing of production targets had become to an ever greater degree a "management concern," and that managements had become involved in a sort of "targets race" which developed far away from the reality of the workshops, building sites, and mines, a circumstance that favored the flourishing of unrealistic aims. That period saw the "growth" of a whole series of production targets, with consequent revision of the plans: thus, the target for production of steel, which, under the original plan, was to have reached 10 million metric tons at the end of the Five-Year Plan, "grew" to 17 million metric tons.^[143] In the eyes of the workers who were familiar with the realities involved, this target was unlikely to be achieved -- and, in fact, it was not achieved.^[144]

The fixing of unrealizable targets had a negative effect on the enthusiasm of most of the workers. Enthusiasm did not entirely evaporate, of course, but it became confined to a minority who were capable of making great efforts which enabled them to beat production records. This, however, was not enough to sustain a real emulation campaign developing on a mass scale.

In the end, the emulation movement which, at the outset, had seemed the possible starting point of a genuine transformation of the labor process, did not really develop in that direction. It did not become that "*communist method of building socialism*, on the basis of the maximum activity of the vast masses of the working people" which Stalin had spoken of in his article of May 22, 1929.^[145] It did not bring a large-scale liberation of new productive forces.

The revolutionary aspect of the emulation movement gradually died out, through not taking as its target a radical transformation of production relations. Increasingly, it was directed toward quantitative production targets, and was taken over by the heads of enterprises and the economic ap-

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paratuses. They used it above all as a means to secure revision of work norms. It thus became an instrument for intensifying labor -- hence the indifference and even sometimes the hostility of a section of the workers toward a movement which was not in any deep sense their own.^[146]

The reasons for the setback to the mass character of the movement were many. Most important was the one-sidedly "productionist" aspect which it came to assume, as a whole, and which led to its subordination, above all, to the existing relations of hierarchy and discipline, which were even strengthened after the end of 1928. The profound split within the working groups -- between a minority of skilled workers enjoying prestige, responsibility, and incomes markedly higher than the others, and a majority of unskilled workers, often looked upon with mistrust (because of their peasant origin) and restricted to poorly paid fragmentary tasks -- was also an important obstacle to transforming the emulation movement into a genuine mass movement. This split was closely bound up with the hierarchical general structure of the enterprises and the role assigned to the managers and engineers.

The socialist emulation movement failed, therefore, to lead to a socialist transformation of the productive forces. The concept of such a transformation was, indeed, never clearly formulated at that time, even though it was hinted at, for example, by Stalin when he spoke of "the colossal reserves latent in the depths of our system."^[147]

Under these conditions, a revolutionary transformation of the production relations and of the productive forces could not take place. The growth of industrial production turned out to be fundamentally dependent on the accumulation of new means of production, the modernizing of equipment, the maintenance and development of material incentives (piece rates, bonuses, etc.). All this led to the adoption of a plan for extremely heavy investment in industry -- which industry was incapable of financing from its own resources. In this way the burdens that the Soviet state's economic policy tended to lay upon the peasantry were made heavier, and the contradictions between town and country characteristic of the final crisis of the NEP were intensified.

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In order to appreciate more fully the specific forms assumed by the aggravation of contradictions within the industrial sector itself, we need to analyze the way in which state-owned industry was integrated in the general process of reproduction of the conditions of production.

Notes

1. See above, p. 77. [p. 209]
2. Calculated from *Kontrolnye tsifry (1929-1930)*, pp. 422-423. [p. 209]
3. See below, pp. 275 ff. [p. 209]
4. M. Dobb, *Soviet Economic Development*, p. 143. [p. 210]
5. See volume I of the present work, especially pp. 464 ff. [p. 210]
6. See Marx, in *The Poverty of Philosophy*, where he blames Proudhon for

putting in the forefront the juridical form of property (Marx and Engels, *Collected Works*, vol. 6, p. 197: "to define bourgeois property is nothing else than to give an exposition of all the social relations of bourgeois production. To try to give a definition of property as of an independent relation . . . can be nothing but an illusion of metaphysics or jurisprudence." See Marx's letter to Annenkov, December 28, 1846: "In the real world, . . . the division of labour and all M. Proudhon's other categories are social relations forming in their entirety what is known today as property; outside these relations, bourgeois property is nothing but a metaphysical or juristic illusion" [Marx and Engels, *Selected Correspondence*, p. 44]). [p. 210]

7. See volume I of the present work, pp. 155 ff. [p. 211]
8. Lenin, *CW*, vol. 27, p. 259: "[The Immediate Tasks of the Soviet Government](#)." [p. 211]
9. *Ibid.*, pp. 249, 268. [p. 211]
10. Lapidus and K. Ostrovityanov, *Outline*, p. 472. [p. 212]
11. *Ibid.* [p. 212]
12. *VKP(b) v rezolyutsiyakh* (1941), pp. 626-629, quoted in Carr, *Socialism*, vol. I, p. 387. [p. 213]
13. *Torgovo-Promyshlennaya Gazeta*, August 23-26, 1926. [p. 213]
14. *K.P.S.S. v rezolyutsiyakh*, vol. 2, pp. 316-317, 319-320. The workers' resistance to revision of the norms led at that time to stoppages and strikes which were not authorized by the trade unions. [p. 213]

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15. *VII-oy Syezd Professionalnykh Soyuzov SSSR* (1927), pp. 467, 745. [p. 214]
16. *Direktivy K.P.S.S. i Sovyetskogo Pravitelstva po khozyaistvennym voprosam* (1957), vol. I, pp. 666-672, and Carr and Davies, *Foundations*, vol. I, pt. 1, pp. 341-342, and pt. 2, p. 492. [p. 214]
17. *Torgovo-Promyshlennaya Gazeta*, August 18, 1927. [p. 214]
18. *Trud*, January 6, 1928. [p. 214]
19. Lenin, *CW*, vol. 33, pp. 184 ff. [p. 215]
20. *Ibid.*, vol. 33, p. 189. [p. 216]
21. *Ibid.* [p. 216]
22. *Ibid.* [p. 216]
23. *Ibid.*, vol. 33, pp. 190-191. [p. 216]
24. *Ibid.*, vol. 33, p. 190. [p. 217]
25. *Ibid.*, vol. 33, p. 191. [p. 217]
26. *K.P.S.S. v rezolyutsiyakh*, vol. I, p. 792 (my emphasis -- C. B.). [p. 217]
27. *V.K.P.(b.) v profsoyuzakh* (1940), pp. 236-240, quoted in Carr, *Socialism*, vol. I, p. 400, n. 1. [p. 217]
28. *K.P.S.S. v rezolyutsiyakh*, vol. 2, p. 65. "Management deviation" is given as an approximate translation of the Russian expression *khozyaistvenny uklon*. [p. 218]
29. In its issue of July 15, 1926, the journal *Bolshevik* noted that during 1925 the production-conference movement had suffered a decline and had been looked on with disfavor as encouraging a "management deviation" (pp. 45-58). [p. 218]
30. *K.P.S.S. v rezolyutsiyakh*, p. 99. [p. 218]
31. Stalin, *Works*, vol. 8, pp. 147-148. [*Transcriber's Note*: See Stalin's "[The Economic Situation of the Soviet Union and the Policy of the Party](#)". -- *DR*] It will be observed that the production conferences are not assigned any managerial functions. Their role was, above all, to give aid and support to the Party and the government. [p. 219]
32. *Istorichesky Arkhiv*, no. 2 (1960), pp. 89-90, quoted in Carr and Davies,

- Foundations*, vol. I, pt. 2, p. 569. [p. 220]
33. *Trud*, July 18, 1926. [p. 220]
34. These were the resolution "On the Country's Economic Situation and the Tasks of the Party" (*K.P.S.S. v rezolyutsiyakh*, vol. 2, pp. 173 ff., especially sec. 3, pp. 177-179); and the resolution on the trade unions (*ibid.*, p. 191 ff.), which included fairly detailed passages on the production meetings (*ibid.*, pp. 196-199). [p. 220]
35. *Ibid.*, p. 179. The term "direct participation" is noteworthy, in that it marks a break with the resolution of the Eleventh Congress: see above, p. 216 ff. [p. 220]

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36. *Ibid.*, p. 198. [p. 220]
37. *Ibid.*, p. 177. [p. 220]
38. *Ibid.*, p. 190. [p. 221]
39. *XV-taya Konferentsiya VKP(b)* (1927), pp. 276-283, 298-299, 317, 346-347, 356, 408-410; quoted in Carr and Davies, *Foundations*, vol. I, pt. 2, p. 570, ns. 1 and 2. [p. 221]
40. *VII-oy Syezd Professionalnykh Soyuzov SSSR* (1927), pp. 58-59. [p. 221]
41. *XVI-taya Konferentsiya VKP(b)* (1962), p. 814, n.279; quoted in Carr and Davies, *Foundations*, vol. I, pt. 2, p. 570, n. 6. [p. 221]
42. *K.P.S.S. v rezolyutsiyakh*, vol. 2, pp. 383-384. [p. 222]
43. Stalin, *Works*, vol. 11, pp. 30 ff. [*Transcriber's Note*: See Stalin's "[The Work of the April Joint Plenum of the Central Committee and Central Control Commission](#)". -- *DJR*] [p. 222]
44. *Ibid.*, p. 37. [p. 222]
45. *Ibid.*, pp. 39-41. [p. 222]
46. *Ibid.*, pp. 57 ff. [p. 223]
47. *Ibid.*, pp. 73 ff. [*Transcriber's Note*: See Stalin's "[Speech Delivered at the Eighth Congress of the All-Union Leninist Young Communist League](#)". -- *DJR*] [p. 223]
48. Carr and Davies, *Foundations*, vol. I, pt. 2, pp. 580 ff. [p. 223]
49. The Smolensk archives enable us to obtain an overall view of what was called at the time the "Smolensk scandal." They show that 13.1 percent of all Party members in the region were expelled as a result of scandal. The investigations carried out on behalf of the CCC revealed the corruption prevailing among some of the provincial cadres, while others were convicted of "drunkenness" and "sexual license." The reports of these investigations showed that in one of the most important factories in the region the women workers had "to submit to the foreman's demands," while, in another, seven workers had killed themselves owing to the indifferent attitude of the Party leaders to their complaints. This "affair" gave rise to an inquiry by the CC, which held numerous meetings in various factories in the region (Fainsod, *Smolensk*, pp. 48-52). [p. 224]
50. Stalin, *Works*, vol. 11, p. 74. [p. 224]
51. *Ibid.*, p. 75. [p. 224]
52. *Ibid.*, p. 75. [p. 225]
53. *Ibid.*, pp. 75-76 (my emphasis -- C. B.). [p. 225]
54. *Ibid.*, pp. 76-78. [p. 226]
55. This shift of emphasis is clearly apparent if we compare the orientations of spring 1928, regarding the need for criticism of the cadres, engineers, administrators, etc. (not excluding criticism which was "only 5 or 10 percent true" [*ibid.*, p. 36]), with the warnings against a mistrustful attitude to heads of enter-

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- prises and economic organizations contained in the report of April 13, 1926 in which Stalin appealed for these leaders to be "surrounded by an atmosphere of confidence," and for avoidance of excessive readiness to criticize them -- "a bad habit [that] must be dropped once and for all" (Stalin, *Works*, vol. 8, p. 146 [*Transcriber's Note*: See Stalin's "[The Economic Situation of the Soviet Union and the Policy of the Party](#)". -- *DJR*]). [p. [226](#)]
56. Stalin, *Works*, vol. 11, p. 62; p. 376, n. 14. [*Transcriber's Note*: See Stalin's "[The Work of the April Joint Plenum of the Central Committee and Central Control Commission](#)". This text includes n. 14.-- *DJR*] [p. [226](#)]
57. One of the resolutions adopted by the plenum of April 6-11, 1928, provided for changes in the management of enterprises. However, the scope of these changes was limited (*K.P.S.S. v rezolyutsiyakh*, vol. 2, pp. 386-387). [p. [226](#)]
58. Stalin, *Works*, vol. 11, p. 63 (my emphasis -- C. B.). [p. [227](#)]
59. *Ibid.*, pp. 63-64. [p. [227](#)]
60. The Smolensk inquiry revealed numerous cases of this sort. At Shakhty the inquiry showed that the limitation of the working day in the mines to six hours was often not respected, any more than were certain safety regulations (*ibid.*, p. 64). [p. [228](#)]
61. This manifesto was read on October 15, 1927, by Rykov, then chairman of the Sovnarkom, to the TsK of the USSR (*Pravda*, October 16 and 18, 1927). [p. [228](#)]
62. The archives of the Smolensk Regional Committee of the Party show that this committee had to deal with workers' discontent when the transition to three-shift work was made. A factory in this region sent a delegation to Moscow to protest, and workers' meetings demanded that the measure be rescinded. It is not known what response was given to these demands, but we do know that they were numerous (Fainsod, *Smolensk*, pp. 51-52). [p. [229](#)]
63. On these points see Carr and Davies, *Foundations*, vol. I, pt. 2, pp. 500-504. [p. [229](#)]
64. Such complaints are to be found in the journal of the VSNKh (*Torgovo-Promyshlennaya Gazeta*), for example in the issue of October 16, 1928, and in the official economic journal *Ekonomicheskoye obozreniye*. See Carr and Davies, *Foundations*, vol. I, pt. 2, pp. 508-509. [p. [229](#)]
65. Production by VSNKh-planned industry rose by 16.6 percent in 1926-1927, 26.3 percent in 1927-1928, and 23.7 percent in 1928-1929 (*Kontrolnye tsifry 1929-1930 gg.*, pp. 422-423, 503). [p. [230](#)]
66. *Prepriyatiye*, no. 12 (1928), p. 12. The journal refers to the "one-person responsibility" of the manager, alleged to be threatened with replacement by that of "the electors." [p. [230](#)]
67. *Pravda*, June 26, 1928, in Stalin, *Works*, vol. 11, pp. 133 ff. [p. [230](#)]
68. Stalin, *Works*, vol. 11, p. 138. [p. [231](#)]
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69. *Ibid.*, pp. 140-141. [p. [231](#)]
70. *Ibid.*, p. 139. [p. [231](#)]
71. *Ibid.*, p. 139. [p. [231](#)]
72. *Ibid.*, pp. 139-140. [p. [232](#)]
73. *Ibid.*, p. 143. [p. [232](#)]
74. *Torgovo-Promyshlennaya Gazeta*, November 30, 1928. [p. [232](#)]
75. *VIII-oy Syezd Professionalnykh Soyuzov SSSR* (1929), pp. 527-528. [p. [233](#)]
76. *Direktivny* (1957), vol. 2, pp. 18-19. [p. [234](#)]

77. *Resheniya partii i pravitelstva*, pp. 125-131, quoted in R. Lorenz, *Das Ende der Neuer Ökonomischer Politik*, p. 213 and p. 274, n. 3. This writer also quotes A. Etchin, *O yedinonachalii*. [p. 234]
78. See note 76 above; also Fainsod, *Smolensk*, p. 309; and the remarks made on this subject by Robert Linhart, in *Lénine, les paysans, Taylor*, pp. 167-168, n. 1. [p. 235]
79. *XVI-taya Konferentsiya VKP(b)*, (1962), pp. 72-73. [p. 235]
80. See also below, pp. 346 ff. [p. 236]
81. *Trud*, March 29; May 16; June 8, 11, and 20, 1929, quoted in S. Schwarz, *Les Ouvriers en Union Soviétique*, pp. 503-505. (This French edition of *Labor in the Soviet Union* contains a new appendix dealing with the purging of the trade unions in 1929.) [p. 236]
82. *Resheniya*, pp. 125-131, quoted in Lorenz, *Das Ende*, p. 214. [p. 236]
83. *Resheniya*, pp. 136-142. [p. 236]
84. Marx, *Capital* (London), vol. 1, p. 482. [p. 238]
85. A clear analysis of the "Taylor system" will be found in Harry Braverman, *Labor and Monopoly Capital*, pp. 85 ff. [p. 238]
86. In his *Lénine, les paysans, Taylor*, Robert Linhart deals with a number of aspects of this question; see especially pp. 77 ff. [p. 238]
87. Lenin, *CW*, vol. 20, p. 154. [p. 238]
88. See Linhart, *Lénine*, pp. 102, 110 ff., 134 ff. [p. 238]
89. E. H. Carr, *The Interregnum*, p. 84, n. 4, and *Socialism*, vol. I, p. 383. [p. 239]
90. *Trud*, February 20 and 22, 1924. [p. 240]
91. *Direktivny*, vol. 1 (1957), pp. 568-569. [p. 240]
92. *Pravda*, February 10, 1928, quoted in Carr and Davies, *Foundations*, vol. I, pt. 2, p. 478. [p. 240]
93. It is to be observed that the supporters of these views could avail themselves of certain formulations by Marx and Engels, especially what Engels wrote, during the winter of 1872-1873, in his article "On Authority": "The automatic machinery of a big factory is much more despotic than the small capitalists who employ workers have ever been. . . . If man, by dint of his

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knowledge and inventive genius, has subdued the forces of nature, the latter avenge themselves upon him by subjecting him, in so far as he employs them, to a veritable despotism independent of all social organisation" (*Marx, Engels and Lenin on Anarchism and Anarcho-Syndicalism*, pp. 101-102). In this formulation, which expresses the correct view that "one can command Nature only by obeying it," no account is taken of the *form* under which the production processes give material embodiment to scientific knowledge. As Marx frequently recalls, however, this form, and therefore also the nature of technical changes, is dominated by social relations. [p. 240]

94. Chaplin's speech at the Eighth Komsomol Congress, quoted in Carr and Davies, *Foundations*, vol. I, pt. 2, p. 479. [p. 240]
95. *V.K.P.(b) v rezolyutsiyakh*, vol. 2, p. 305. Subsequent editions of this work do not reprint this resolution. See Carr and Davies, *Foundations*, vol. I, pt. 2, p. 479, n. 5. [p. 241]
96. Lapidus and Ostrovityanov, *Outline*, pp. 129-130. [p. 241]
97. Carr, *The Bolshevik Revolution*, vol. 2, pp. 319-320. [p. 242]
98. *Ibid.*, p. 321. [p. 242]
99. Consequently wages were at that time higher in enterprises which could charge high prices (as was then the case with the textile industry) than in others, such as the iron and steel industry. See A. G. Rashin, *Zarabotnaya plata na vostonivitelny period khozyaistva SSSR*. [p. 242]

100. *K.P.S.S. v rezolyutsiyakh*, vol. I., pp. 902-905. [p. 243]
101. On the attitude of the trade unions, see *Trud*, August 23, and September 17, 1924, and the discussions at the Sixth Congress of the Trade Unions (*IV-oy Syezd Professionalnykh Soyuzov SSSR 1925*). These discussions show that a minority of the delegates were still opposed to unrestricted extension of piece wages. From February 1925 (see *Trud*, February 4, 1925) the trade unions plunged into a campaign for piece wages to be introduced on the widest possible scale (see Carr, *Socialism*, vol. I, p. 390, n. 4). [p. 243]
102. *Planovoye Khozyaistvo*, no.2 (1926), p. 54; and Y. S. Rozenfeld, *Promyshlennaya Politika SSSR*, p. 361; Carr, *Socialism*, vol. I, pp. 391-392. [p. 243]
103. *Leningradskaya Pravda*, August 2, 1925, quoted in Carr, *Socialism*, vol. I, pp. 392-393. [p. 243]
104. *XIV-y Syezd VKP(b)* (1926), pp. 722-729, 785. The strikes referred to were "unofficial" strikes, not recognized by the unions

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and not reflected in statistics. Between 1924 and 1925 the number of workers "officially" on strike hardly increased and remained small: 43,000 in 1925, as against 42,000 in 1924 (*VII-oy Syezd Professionalnykh Soyuzov SSSR* [1927], p. 90). The number of strikes officially recorded was small: 267 in 1924 (151 of which in state-owned enterprises) and 196 in 1925 (of which 99 occurred in state-owned enterprises). We have even less information regarding the actual number and scope of strikes in subsequent years. [p. 243]

105. *Planovoye Khozyaistvo*, no. 1 (1926), p. 40, quoted in Carr, *Socialism*, vol. I, p. 395. [p. 243]
106. *Sotsialisticheskoye Stroitelstvo SSSR* (1934), p. 337. According to another source, the percentage of workers receiving piece wages was as follows (for September of each year): 1923, 45.7; 1924, 51.4; 1925, 60.1; 1926, 61.3. See A. G. Rashin, *Zarabotnaya*, pp. 33-34, quoted in Carr, *Socialism*, vol. I, p. 392, n. 2. [p. 244]
107. *Ekonomicheskoye Obozreniye*, no. 10 (1929), p. 148, quoted in Carr and Davies, *Foundations*, vol. I, pt. 2, p. 534. [p. 244]
108. See, for example, Uglanov's article in *Pravda*, October 4, 1925. [p. 244]
109. *XIV-y Syezd VKP(b)* (1926), pp. 793 ff. [p. 244]
110. Lapidus and Ostrovityanov, *Outline*, pp. 132-133. Twenty-six years later, in 1954, the same Ostrovityanov, co-author of the official textbook of political economy, was to affirm that "in socialist economy piece rates provide the worker with the maximum interest in his work" (K. V. Ostrovityanov et al., *Political Economy*, p. 604). There was no longer any question of the system of piece wages being only "temporary." [p. 244]
111. Carr and Davies, *Foundations*, vol. I, pt. 2, p. 522. [p. 245]
112. *Ibid.*, pp. 523-524, and *Trud*, October 10 and 12, 1926. [p. 246]
113. *Torgovo-Promyshlennaya Gazeta* and *Trud*, October 30, 1927; *Obzor deyatelnosti NKT SSSR za 1927-1928 gg.*, p. 71; *Kontrolnye tsify 1928-1929 gg.* (1929), p. 21; Carr and Davies, *Foundations*, vol. I, pt. 2, pp. 494, 526-529. [p. 246]
114. See the table on p. 191. [p. 247]
115. Gert Meyer, *Studien zur Sozialökonomischen Entwicklung Sowjetruslands 1921-1923*, p. 194, quoting S. G. Strumilin, *Problemy Ekonomiki Truda*, p. 388. [p. 248]
116. *Ibid.*, p. 195, quoting A. Rashin, "K kharakteristike differentsiatsiya zarabotnoy platy v promyshlennosti," *Vestnik Truda*, no. 2 (1925), p. 50. [p. 248]
117. *Ibid.*, p. 51, quoting the same source. [p. 248]

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118. Ibid., p. 196, quoting several Soviet sources from this period. [p. 248]
119. *VII Syezd VLKSM* (1926), p. 49, quoted in Carr and Davies, *Foundations*, vol. I, pt. 2, p. 529. [p. 249]
120. Rashin, *Zarabotnaya plata*, pp. 126-127, quoted in Carr, *Socialism*, vol. I, pp. 380-381. [p. 249]
121. *VII-oy Syezd Professionalnykh Soyuzov SSSR* (1927), p. 51. [p. 249]
122. Carr and Davies, *Foundations*, vol. I, pt. 2, pp. 529-531. [p. 249]
123. *VIII-oy Vsesoyuzny Syezd V.L.K.S.M.* (1928), p. 37. [p. 249]
124. *Voprosy Truda*, November-December 1932, p. 29. [p. 250]
125. *VII-oy Syezd Professionalnykh Soyuzov SSSR* (1927), p. 51. [p. 251]
126. See above, p. 237. [p. 251]
127. See above, pp. 215, 219 ff. [p. 251]
128. L. Rogachevskaya, *Iz istorii rabochego klassa SSSR*, pp. 152-154, n. 4; and *Torgovo-Promyshlennaya Gazeta*, September 1, 1927, quoted by Carr and Davies, *Foundations*, vol. I, pt. 2, p. 513. [p. 251]
129. *Torgovo-Promyshlennaya Gazeta*, September 27, 1927, article by Kuibyshev. [p. 252]
130. *Sobranie Zakonov*, no. 45 (1927), art. 456. [p. 252]
131. Ibid., no. 42 (1928), art. 384, and no. 43, art. 387. This signified an extension of what was called the "manager's fund," which later on played an even greater role as a means of stimulating production (see Carr and Davies, *Foundations*, vol. I, pt. 2, pp. 512, 609-610). [p. 253]
132. *Sobranie Zakonov*, no. 59 (1928), arts 523 and 524. [p. 253]
133. Lenin, *CW*, vol. 26, pp. 404-415. [p. 253]
134. Stalin, *Works*, vol. 12, p. 116. [Transcriber's Note: See Stalin's "[Emulation and Labour Enthusiasm of the Masses](#)". -- DJR] [p. 253]
135. Ibid., p. 115. [p. 253]
136. For example *Trud*, May 30; August 2 and 6, 1929, quoted in Schwarz, *Labor in the Soviet Union*, pp. 189, 190. [p. 254]
137. *Trud*, July 25, 1929. [p. 254]
138. Ibid., August 2, 1929. [p. 254]
139. *Voprosy Truda*, no. 12 (1929), p. 47, quoted by Lorenz in his thesis *Das Ende*, p. 230. [p. 254]
140. Fainsod, *Smolensk*, p. 312, quoting VKP 250, pp. 38-47. [p. 254]
141. Ibid., quoting VKP 300, p. 48. [p. 254]
142. Ibid., p. 313, quoting VKP 300, pp. 49-50 (my emphasis -- C. B.). [p. 255]
143. See Krzhizhanovsky's declaration at the beginning of 1929: "A time has come which is bringing us achievements no-one had dreamed of" (*Internationale Presse-Korrespondenz*, no. 112 [1929], p. 2648). See also Mezhlauk's speech published in *ibid.*, no. 116 (1929), p. 2728. [p. 255]

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144. Initially, the First Five-Year Plan provided for production of 10.4 million metric tons of steel, but actual production in 1932 was only 5.9 million metric tons (Bettelheim, *La Planification*, p. 288). In all the main fields -- agricultural equipment, tractors, motor cars, etc. -- the end of 1929 was marked by a growing gap between production targets and real production possibilities. [p. 255]
145. Stalin, *Works*, vol. 12, p. 115. [p. 255]
146. What happened generally does not mean that socialist emulation did not continue for some years to play an important role locally. This was the case especially in certain big building sites and new centers of production

(e.g., at the iron-and-steel combine at Magnitogorsk) where young workers were especially numerous. [p. [256](#)]

147. Stalin, *Works*, vol. 12, p. 116. [p. [256](#)]

From Marx to Mao	Other Documents	Reading Guide	On to Section 4: Part 3, sec. 3, 4 and 5
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