

# Capitalist Exploitation in Russia

## A Few Facts

(Translator's note: This is an abridged translation of part of Chapter V. of a book called "Monopolistic State Capitalism in Russia" by J. Roland. The book appeared in instalments in the bulletin of a group of German exiles in France. The group calls itself "R.K.D." ("Revolutionary Communists of Germany"). The translation is from the "R.K.D. Bulletin", France, No. 5, October 1946. Due to lack of space we have been forced to leave out the second part of the chapter, dealing with prices, and to abridge the first part. Numbers in brackets indicate references which are given at the end of the article.)

What are the conditions of work in Russia? The wages system exists, this is generally admitted. But we know, since the time of Marx, that wages on the one hand demand capital on the other hand, this cannot be denied. It is therefore not surprising that the conditions of work in Russia show a class struggle around the rate of surplus value.

Is there at least a tendency for the wages system to disappear? Obviously not. Ever since the New Economic Policy (1922) wage differentiations have grown sharper, and the wage earners have had less and less possibility of defending themselves.

In 1941, one of the highest Russian bureaucrats, Malenkov, demanded that all positions where the interests of Capital and Wage Labor clash directly, be purged of those who came from the working class or still had some connection with it. They should be replaced by those with a bourgeois education and outlook. Malenkov says: Many a high position is still "occupied by ignorant people, who won't listen to our demands for new technical developments, for the necessity to speed up the process of production." "They have learnt nothing and don't want to learn, and then they boast of their proletarian origin. Such ignoramus must be unmasked and thrown out of the factory." (1).

"All orders of the Directors must be obeyed without argument by the lower employees and workers, whatever position these may have in the Trade Union or in the party." (2). Thus ran a Russian government decree of 1929. Malenkov demands in 1941 that new measures be taken in the factories to further raise the power of capital. With reference to the factory bosses, he says: "Decisive measures must be taken, to strengthen further the personal authority of the factory director and to achieve that he will really become a boss, a boss fully responsible to the state for order in his factory." And with reference to the foremen, generally regarded by all workers in all coun-

tries as the "watchdogs of capital":—"Foremen play a great part in keeping order in our factories, in the rational organisation of these, and in keeping up the strictest discipline of work in the process of production. A foreman must be absolute boss in the part of the factory under his command."

"Piece Work is Murder" says the worker. In Russia piece work rates have been common for a long time. Usually they are piece rates with a fixed maximum i.e. wages do not go up after a certain quantum has been reached. Malenkov says: "Piece rates and the premium system are the most important levers for in-

# SOCIALIST COMMENT

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The pressure of Capital on Labor in Russia, like everywhere else, increases year by year. In the spring of 1936 there was a general revision of all quotas in the factories, on the basis of the new Stakhanovist quotas. All workers who did not fulfil the new quotas of their wage scale, were relegated to the next lower category of the wage scale. That is, they had to work at least as much as before but earned much less than before. In a report of the Russian "Centre of T.U.s" we read that a 40 per cent. increase in productivity had been reached by the general introduction of the conveyor belt. (4). On March 21st, 1941, "Truth" (Trade

**"The Government is never neutral. It acts in the interests of Capitalism. Its ultimatum to the Rail Workers should be a lesson to all Workers."**

—Western Socialist, June, 1946.

creasing the productivity of the worker, and hence for the development of our whole economy."

It is always in the interest of Capital to increase and sharpen competition between worker and worker. Hence Malenkov demands: "One must encourage those people who work well and root out at all costs the lazy practices in the daily working process."

Such methods of work, where it is possible for those workers with the lowest wages to increase their unusually low wages, but only at the cost of ruining their health, have always been fought, as sub-human by all Socialists. In January 1936, Russia introduced Stakhanovism. (3). Marx has already shown the economic background of such a system: "Capitalist Production, above all, attempts to achieve as much surplus-work as possible, to achieve a maximum of working time with a certain capital, by lengthening of the working time, or by developing the productivity of labor\* and reducing the necessary labor time, through the application of "co-operation", division of labor, machinery, etc., in brief by mass production. Capitalist production hence naturally includes production without regard to the limitations of the market." To produce cheaply, mass production is essential.

Union Paper) demanded: "Every worker must reach his quota!" and on April 9th it demanded a further revision of the quotas upwards, of course: It drew attention to a coalmine where 17 per cent. of the working time was allowed for rest, i.e. 81 minutes rest (for underground workers) in an 8-hour day. "Truth" claimed that a loss of 35 per cent. of working time would be sufficient. (5). Malenkov demanded in 1941 that one would have to eradicate all habits of former years: "Often we still find the former custom of holding meetings in the factory. That must be forbidden at all costs. We have to see once and for all that the workers conduct their propaganda campaigns, etc., outside of working hours." In May, 1944, "Pravda" demanded: "A new revision of working norms is absolutely necessary!" (6).

The French Trade Unionist Kieber Legay, after his journey to Russia said that those workers in Russia who are not doing piece work, only receive their full wages if they fulfil the pre-calculated production quota. If a worker achieves only 70 or 80 per cent. of this quota, he received only 70 or 80 per cent. of the wages. REAL Wages are lower than they were under Czarism before 1914. Prokopewitsch (7), Hubbard (8) and Alexinsky (9) have shown that the

\*Labor Power (Ed. Com.).



average wage of the Russian worker was 242 roubles in 1913. In 1937 the average wage was 241.8 roubles. However, the price index was—1913: 100; 1937: 1,404.9. Hence the real wages of the Russian worker have fallen considerably from 1913 to 1937. (See note 10.) Propoyewitch used the method of calculating a "bread basket" in how much of certain basic foods could the Russian worker buy for his wages. In 1913 it was 3.7 "bread baskets" in 1937 only 2.6.

On December 15th, 1930 the Russian Government passed a decree that contained measures which other capitalist governments did not dare to pass till years later. The abolition of the "freedom of movement" for the worker. A worker looking for a job can be forced to take any job which is considered suitable for him, regardless of his own wishes or of the region in which the job lies.

A Decree of November 16th, 1932, introduced "the dismissal of workers absent even for one day, without reason, from the job." Commenting on this, it was stated that such dismissal would also entail the withdrawal of national insurance from the worker and his family. (11) On November 15th, 1935, another decree was passed: Anyone who did not appear at his job without a "compelling reason" was to be dismissed at once and was forbidden to either seek or accept employment in any State undertaking for the next 6 months. In 1936 the famous "Work Book" was introduced (this in addition to the internal passport every Russian citizen must carry with him all the time) which follows the worker wherever he goes. It contains entries about his punishments, fines, breaches of discipline, under what circumstances the worker left his last place of work, etc. This work book makes work in Russia even more like work in prison. Eight days after the re-introduction of the "work book" (it existed under Czarism—Translator) new and heavier punishments were introduced for lateness, being late, etc. A decree of December 28th, 1938 on the "tightening of discipline in the factories and the alterations in the Social Insurance" is directed against those who are "undisciplined" and decrees that they shall not enjoy any "social benefits." According to a leading article in 1940 from a total of 25 million workers organised in "trade unions" only 700,000 have to be holiday homes and sanatoria—i.e. only 3 per cent. (12)

The right to STRIKE does not exist in Russia; on the contrary, according to 35 of Article 58 of the Russian "Working Laws" offences are punished by death through shooting.

In all factories there are sections of the "Political Factory Police" ("Politotdel") to supervise "the mood" of the workers. Only members of the State Party (i.e. Communist Party—Translator) can become members of this Factory Police.

The Trade Unions in Russia—as in many other capitalist countries—are a part of the state apparatus. (13) Their main task is the fixing of norms of work and of wage scales. The Trade Union Journal "The Trade Unionist" of 21/3/41 wrote: "The Trade

Unions can afford no longer to take an indifferent attitude to those workers who do not fill their quotas." A worker who is "disciplined" for a "breach of discipline" is liable for a "breach of discipline". Trade Unions nor to any other body, helpless, he cannot complain to the Trade Unions can make the right decisions, but do not have the right to interfere with the work of the directors" says a governmental decree. (14) The funds of those named driving organisations are provided by the workers. The T.U.s have 76,500 paid employees with a total yearly income of 415 million roubles. This accounts for more than half of the contributions. These "engineers of souls" pass on their directives for the increase of production through "T.U. Functionaries"—3,100,000 "T.U. Functionaries" who pass them to the workers.

(15). In spite of strong pressure and the disadvantages which befall them, 6 million Russian workers are not members of these bogus unions.

Stakhanovism and the conveyor belt naturally have their effect on the nervous system and on the increasing demand for leisure. As in all totalitarian countries, Russia also has a system of "controlled leisure". The "Cultural Divisions of the Trade Unions" are to "strengthen the Nazi strength through Joy" and the Fascist "Doploavro" organisations. The T.U. officials see to it that the worker doesn't forget the atmosphere of work during leisure time. Thus Tsaregradsky recommends to the Cultural Clubs the "introduction of evenings for technical instruction instead of mere pleasure" and demands of the workers that "they should adapt their songs, sketches, revues, etc. more to questions and problems of production" (16).

Peasants and also industrial workers can become temporary slaves of the state by mere governmental decree. The so-called "Mobilisation of work" is applicable to all those who do not work in state industries or who do not work in the "less important" work. Those who are thus "mobilised" receive only nominal payment.

As in other countries with complete or partial monopolistic state capitalism, so Russia has a tendency to convert the "Lumpenproletariat" (no Eng. equivalent, roughly corresponds to the lowest strata of workers—Translator and the industrial reserve army into Slaves of the State. The fact that the temporary or permanent conversion of huge masses of proletarians into Slaves of the State has, in Russia, taken on gigantic dimensions, should be accounted for by the belief that the Russian ruling class is particularly "brutal" or "bad". Economic, historical and geographical reasons account for it.

The various 5-year plans demanded the exploitation of the riches of the far-off colonial regions, especially of Siberia and the northern forests, which had to furnish wood both for building and for export. The native population is being forced—by the withdrawal of their bread ration cards, etc.—to perform this work, but its labour is insufficient. Workers living elsewhere do not volunteer for

such work, on account of the cold and the bad accommodation. As the work is relatively simple, State Capitalism sees no reason why it should pay particularly high wages for it. Hence in all semi-colonial dependencies in Russia, but concentrated in the isolation camps were erected. People arrested for alleged "political offences", "anti-social behaviour", also peasants and anyone who resisted the regime have been transported to these camps to perform work without payment (17) under conditions which mean death to the majority of them.

The construction of the Black Sea Canal took 20 months, and was done by 175,000 "political cases"—they left behind them 45,000 dead, or a death rate of 80 workers each day. About half a million deportees worked on the building of the Turkish railway, and only between 10-20,000 remained alive.

Monopolistic State Capitalism uses colonial methods internally, in distinction to liberal Capitalism it does not only get workers by paying them wages, but also by using the set-up and world war, some hundreds of thousands of workers of Japanese ancestry had to do unpaid forced labor. The mass deportations of German and Polish workers to do forced labor for German Imperialism are well known. As in other countries, the amount of forced labor carried on is not so much decided by political as by economic considerations; the more unpaid workers are necessary, or, in periods of depression, the greater the industrial reserve army, the higher mounts the number of deportees and conscripts and inmates. (The latest estimates, about 1946, of the number of workers in Russian camps vary from 15-20 million.) (19)

#### References and Translator's Notes.

- (1). G. M. Malenkov, member of the Central Committee of the CPSU, in "Pravda" 16/5/1941.
- (2). Quoted in "The Soviet Union" page 237.
- (3). "Isvestija" 15/1/1936.
- (4). Quoted in Bettelheim: "La Planification Sovietique" p.329. The author is an apologist for State Capitalism.
- (5). Alexeinsky: "Un quart de siècle de régime communiste", Paris 41.
- (6). Bettelheim, l.c. page 330.
- (7). Geneva Bulletin on Russian trade (G) "Soviet Trade and Distribution" London '38 (9) see 5.

(10). There are a number of other estimates of the Russian standard of living. Those which claim that the standard of living has fallen (of which the best known are: Manya Gordon—"Workers before and after Lenin"; Colin Clark—"Critique of Russian Statistics"; Hubbard—"Soviet Labour and Industry")—produce similar figures which are intended to show that the standard of living rose by about 50 per cent. from the Revolution to 1929, and then dropped sharply to about 10 per cent. below the pre-revolutionary one. However, these estimates are open to a number of objections and ought to be treated with the greatest caution.

There are a large number of different price levels in Russia; price indices are incomplete or missing; statistics are often incomplete, etc. Moreover, while Clark, for instance, claimed in "Critique of Russian Statistics" that the standard of living had dropped sharply in 1934, as compared with 1913, more recently in the Harvard University "Review of Economic Statistics" (November 1947) he claims to show that "national income" was about the same in 1913 as it was in 1934, and then rose by 50 per cent in 1934-38. While there is no direct correlation between "national income" and the workers' standard of living, the two sets of figures, taken together, hardly appear credible. Further, if the workers' standard of living had fallen by as much as 30 per cent. since the revolution, the admitted increases in production would presuppose such an incredible increase in the rate of exploitation that one would have to have more evidence before believing it.

As for us, we prefer to leave the question whether the Russian workers were "better off or worse off" in 1934 than they were in 1914 or 1917, a moot and open one, till more definite evidence is produced. The Socialist case against Russian state capitalism is strong enough without the support of statistical evidence which, to say the least of it, is open to serious objections.—Translator.

- (11). "Isvestija" 20/9/1932.
- (12). "Trud" 10/4/1941.
- (13). The Trade Unions are not, as yet, "part of the State apparatus" in most capitalist countries, though they have a tendency to become so.—Translator.
- (14). Decree for the Discipline in Factories, 1929.
- (15). Bettelheim, l.c. p.168.
- (16). "Trud" 30/6/41.
- (17). This is doubtful. "Some first hand reports claim that a slight payment is made.—Translator.

(18). The most recent book, and the only one to be fully documented, is "Forced Labor in Soviet Russia" by Dalin & Nicolaevsky. Dalin's own estimate is that the slave-labor camps contain about 12,000,000 men, women and children. He cites other estimates which go as high as 30 million.—Translator.

—Translated by Steve Peters.

# By the Way

## REGIMENTATION.

Reviewing a book by Gwendolen Freeman, "The Houses Behind," the "Age" reviewer had this to say: "The author is a voluntary worker who, by week, for about 15 years, visits a limited area in the back streets of an English industrial town, collecting small samples. She has a real understanding of what it is like for a family of six to try and live on a weekly £2, a week before and during the war, and what natural it is, when their debts reach £50 for mother and father to at all night trying to make up their minds to put their heads in the gas oven."

She writes only too clearly the paralyzing restrictions of real poverty, restrictions which few middle-class people can imagine. "We talk of regimentation in war-time. THE PEOPLE I VISIT HAVE ALWAYS BEEN REGIMENTED BY LACK OF MONEY." ("Age" 24/1/48).

## CAPITALISM.

Capitalism "is a system of exchange economy marked by certain distinctive characteristics. Two groups of the population, the owners of the instruments of production and the proletariat workers, are sharply differentiated, but cooperate in impersonal relations established thru the market. The orienting principle of economic activity in capitalism is unrestricted profit, secured or sought in competition with other economic agents by means of instrumentalities fully rationalized with reference to that end."

F. Nussbaum: "A History of the Economic Institutions of Modern Europe" p.61.

## THE CENSUS.

Preliminary figures of last year's census have now been released. They show (1) population increased by only two million during the last 29 years, and now stands at 73 million; (2) since 1933 a greater movement from rural districts to the cities and country centres can be seen. Secondary industry has expanded, and some decentralisation has taken place. In 1933 about 47% of the population resided in the capital cities, by 1947 this had risen to just under 51%. Population in country towns increased from 17% to 18% between 1933-47, while the proportion living in rural areas declined from 36% to 31%.

The trend towards the capital cities is a phenomenon which is pretty old there was already a big concentration even before federation. Today's concentration is extremely high, and shows that primary industry is still losing ground.

State	Population 1935	Population 1948	% of pop. in capital City 000s.
N.S.W.	2,986	4,484	50
Victoria	2,055	3,127	60
Queensland	1,106	402	36
South Aust.	646	383	30
W.A.	503	273	34
Tas.	257	77	50

## ARE YOU HAPPY?

"Happiness signifies a gratified satisfaction of all faculties. The gratification of a faculty is produced by its exercise. To be agreeable, that exercise must be proportionate to the power of the faculty. If it is insufficient discontent arises, and it's excess produces weariness. Hence, to have complete felicity is to have all the faculties exerted in the ratio of their several developments, and an ideal arrangement of circumstances calculated to secure this constitutes the standard of 'greatest happiness.'"

—Herbert Spencer.

## OR DID YOU ONLY THINK YOU WERE?

### FACTS AND FIGURES.

U.S.A.—American Capitalism today is a giant dominating all lesser rivals. Its rules have emerged unscathed and more prosperous than ever from the war.

PROFITS: A table of 50 companies shows an increase in profits (after taxation) from 1934 to 1947 of 22.7% increase as compared with 1945 to an increase of 760.5%. ("C.I.O. Economic Outlook" December 46).

MONOPOLY: The war accelerated the tendency of the big fish swallowing the little ones. The figures come from an official source.

1.15% of all manufacturing firms employed 48% of manufacturing workers.

One-tenth of 1% of all corporations owned 53% of total corporate assets and secured 50% total corporate net income.

Less than 4% of all manufacturing corporations secured 84% of all manufacturing net profits.

45 transport corporations own 92% of all US transport. (Source: US Senate Small Business Committee "Economic Concentration and World War II".)

MERGERS: A Federal Trade Commission Report states that, since 1940, 1,800 companies have been swallowed up, of these 242 were bought up by 18 of the very largest corporations "an average of 13 swallowed companies each". 1/3 of the mergers was "in fields traditionally regarded as the realm of small business." (Melbourne "Sun" 13/3/47).

SAVINGS: "Squeezed by the rising cost of living, consumers are forced to 'do without.' Few have any substantial savings. Recent Federal Reserve statistics revealed that about 40% of America's families have less than 40 dollars (approx. £12) in the bank or in war bonds. 10% hold over 60% of the nation's savings. While the poor find life increasingly harder, the rich grow richer." ("Herald" 10/5/47).



**"IT'S ONLY NATURAL . . ."**

"We should look more closely at the way in which people use the words natural and artificial. They are vague words. People often use the word natural to mean just what they were accustomed to. They call things natural if their grandmothers knew about them, and unnatural or artificial if they didn't. Unnatural, then, merely means unusual, and the people who use this as a term of abuse rely on the underlying nature—worship in our traditions in order to get the emotional approval for their case. If we leave aside this vague and silly way of using the word natural, we find in the first place that everything that is done by plants or by what we call the lower animals is called natural, and artificial is applied only to what we humans do. Then it is narrowed still further to cut out barbarians and babies, and confined to some things that civilized men do. We find eventually that artificial is commonly applied to things that are done or made deliberately, after thought and open discussion, and natural to things that are done by tradition or habit, and without thought. For example, the great cycle of the business world, boom and depression and recovery, is natural, and any attempt at intelligent control is artificial and therefore of course bad.

(From an article "Nature-Worship" by Assoc. Professor G. W. Leeper in "The Rationalist", December 1947.)

Prof. Leeper's observations are interesting, but his conclusion, that the intelligent control of business cycles is good, brands him as an anti-Socialist. Any such attempt, whether "good", "bad", or merely futile, can only be judged from the Capitalist standpoint. The essential condition of the working class, that they can only live by sale of their labor-power, to a class who will only buy if it is profitable, remains unchanged.

But let the Working Class once realize that the intelligent use of the vote, in their own interest, can abolish Capitalism, with its "business cycles", wars, depressions, and its class division, and establish Socialism, and the way is clear to attack problems worth the attention of an intelligent classless community.

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2. That in society, therefore, there is an antagonism of interests, manifesting itself as a class struggle, between those who possess but do not produce, and those who produce but do not possess.
3. That this antagonism can be abolished only by the emancipation of the working class from the domination of the master class, by the conversion into the common property of society of the means of production and distribution, and their democratic control by the whole people.
4. That as in the order of social evolution the working class is the last class to achieve its freedom, the emancipation of the working class will involve the emancipation of all mankind without distinction of race or sex.
5. That this emancipation must be the work of the working class itself.
6. That as the machinery of government, including the armed forces of the nation, exists only to conserve the

monopoly by the capitalist class of the wealth taken from the workers, the working class must organise consciously and politically for the conquest of the powers of government, national and local, in order that this machinery, including these forces, may be converted from an instrument of oppression into the agent of emancipation and the overthrow of privilege, aristocratic and plutocratic.

7. That as all political parties are but the expression of class interests, and as the interest of the working class is diametrically opposed to the interest of all sections of the master class, the party seeking working class emancipation must be hostile to every other party.

8. THE SOCIALIST PARTIES OF AUSTRALIA AND NEW ZEALAND therefore enter the field of political action determined to wage war against all other political parties, whether alleged labour or avowedly capitalist, and parties, until the members of the working class of this country call upon the members of the working class of that country to join their banner to the end that a speedy termination may be wrought to the system which deprives them of the fruits of their labour, and that poverty may give place to comfort, privilege to equality, and slavery to freedom.

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