

# The economic front during the Great Proletarian Cultural Revolution

## China's Marxist-Leninist-Maoist United Front: The Death Knell

### 1. The working class must firmly grasp the power of the socialist economy

Now, comrades, let's talk about economic issues.

Some comrades think that economic issues are the business of economists, and that "big bosses" or "996"<sup>1</sup> have nothing to do with us.

That is not true! In a society where human beings oppress human beings, the bosses and senior officials are certainly unwilling to let us workers take control of the economy. They know better than anyone else that once the workers take control of the economy, there will be no more room for them. Therefore, in order to paralyse and stupefy the workers, on the one hand, they have their imperial writers concocting one lie after another, such as "only those who have studied in science classes can engage in the economy" and "the working masses are ignorant"; on the other hand, they are engaged in the promotion of education for the gifted to shut out the working masses from the door of knowledge. Through such means, they try to enslave the workers forever.

In a socialist country, the working class must have a firm grip on the power of the socialist economy, and only in this way will it be able to maintain its political dominance completely. During the Great Proletarian Cultural Revolution, the workers of China used to control the country's economy. During the period of capitalist restoration, the workers lost the power to control the economy, and in the wake of the coming revolutionary storms, the workers of China will be even more resolute in controlling the power of the socialist economy.

### 2. What a socialist economy looks like

What, then, should a socialist economy look like, specifically?

Let us begin with the principles of a socialist economy.

#### **What is a socialist society:**

Firstly, we should understand what a socialist society is.

Socialism is the first stage of communism, which is a society in transition from capitalism to communism after the proletarian revolution.

Since this society was in transition from capitalism to communism, it had to have both the remnants of capitalist society and the germs of communist society. In this society, the proletariat became the master of the country. In order to consolidate its dominant position, the proletariat had to break down the old superstructure and make use of the new superstructure to continuously revolutionise the economic base, to make it develop continuously in the direction of communism and to consolidate the superstructure further.

Since the development of the various countries and regions of the capitalist world is not balanced, there are places where capitalist industry and commerce have developed greatly but the situation of the revolution is poor, and there are places where capitalist industry and commerce have developed weakly but the situation of the revolution is favourable. .... All these reasons have led to the fact

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<sup>1</sup> "996" refers to the common employment practice of requiring worker to work from 9am to 9pm six days a week.

that socialist revolutions do not break out all over the world at the same time but first break out in some countries of the world. These countries not only have to revolutionise their own superstructures and economic bases, but also have to support the revolutionary movements all over the world because, although the socialist system can be successfully established in one country, the proletariat itself will not be finally liberated if it fails to liberate the whole of mankind. The complete victory of socialism can only be realised when the red flag of the proletariat is planted all over the world.

### **The purpose of a socialist economy:**

In order to consolidate socialist society and make the transition to communism, the proletariat must not only have a firm grip on the superstructure, but also use it to continuously revolutionise the economy, to move the economy in the direction of communism and to consolidate socialist power.

In other words, the purpose of the socialist economy is to consolidate the socialist power of the working class, to serve the interests of the working class and to ultimately realise communism.

### **The struggle between the two lines on the socialist economic front:**

Socialist society emerged from the struggle of the proletariat against capitalist society, so the socialist economy also developed and grew from the struggle of the proletariat against the capitalist economy.

The fundamental question of revolution is the question of power, and the fundamental question of power is the question of the line. The victory of a revolution depends on whether or not it can gain power, and whether or not the regime is socialist in nature, and whether or not the regime follows a socialist line. If, after the proletariat has gained power, the regime takes a capitalist line, then even if the regime puts on a layer of "socialist" and "red flag" armour, it will not be able to disguise its actual capitalist nature and its actual exploitation of the proletariat.

The struggle between the two lines, socialism and capitalism, runs through the whole social stage from socialism to communism, and on the economic front it is particularly fierce and insidious. This is because, in socialist societies, some people are influenced by the old capitalist social relations and believe that the socialist economy should develop in the capitalist way. Such capitalist social relations are called bourgeois right, and the line of developing the socialist economy in a capitalist way is a capitalist line. Many of these people do not follow the capitalist line for their own selfish interests; many of them are genuinely interested in socialism. However, they are pursuing a capitalist line which will ultimately lead to the transformation of a socialist country into a de facto capitalist country and to the relegation of the proletariat from being the masters of society to being wage slaves.

The capitalist is capital personified. Some capitalists may be philanthropists and even give their life's assets to charity, but that does not prevent them from exploiting the proletariat virtually all the time. Their soul is the soul of capital. Capital has only one life instinct, which is to multiply itself, to acquire surplus value, to suck up as much surplus labour as possible from its constant part, the means of production. And those who carry out the capitalist line in socialist society, many of them, do not benefit from this process, but this does not prevent them from making the proletariat exploited practically all the time. Turning the proletariat into a capitalist hell.

The development of the capitalist relations of production, which have been restored in socialist society by those who follow the capitalist line, inevitably leads to the emergence of a new bourgeoisie. This bourgeoisie, which often comes from former positions of leadership, is not in the

same position as the ordinary workers in the social production system. This class, through its power, deprives the proletariat of its right to manage the means of production and effectively takes possession of them. Moreover, through their leadership, they receive a share of the social wealth that is much higher than that of the ordinary workers. By appropriating the labour of the proletariat, this group has become a newborn class, the party bourgeoisie.

The bourgeoisie within the Party, in order to preserve its class position, on the one hand, is making counter-attacks against its comrades who follow the socialist line, and on the other hand, it is encouraging reactionary writers to defend the capitalist line. As Marx said, the special character of the material studied in political economy summons to the battlefield the fiercest, vilest and worst feelings in the hearts of men, the Nemesis, which represents private interests, to oppose the scientific study of freedom.

### **3. Surplus value in capitalism**

So, a socialist economy, what does it really look like? How is it different from a capitalist economy? On what grounds can it be said that a socialist economy serves the interests of the working class and the ultimate realisation of communism?

Since socialist society is derived from capitalist society, in order to understand the economy of socialist society, we must start with the economy of capitalist society.

In a capitalist society, the bourgeoisie monopolizes the means of production and the workers have nothing to do but to sell their labour, which obliges them to make a living in enterprises run by the capitalists. Under the capitalist system, all products circulate on the market as commodities, and the proletarians, who have no means of creating products of their own, i.e., no means of production, are the only ones who can sell themselves on the market.

But how is one's price determined? In the capitalist's case, the meaning of a worker is the number of hours he can work for him, or the number of products he can make for him. By this method of measuring time, the price of oneself is determined in a measurable way by the number of hours worked, etc. This measured labour process is called labour.

The worker's labour is sold in the market as a commodity. Here we have to talk about the properties of commodities.

A commodity is called a commodity because it is sold on the market, just as a melon grown by a farmer cannot be called a commodity if the farmer does not sell it and eats it himself. The reason why a commodity is sold is that it is useful to the buyer, whether the buyer buys it to meet the needs of life or to satisfy his own vanity. Such a need of the buyer is called use value.

Before capitalism, under conditions of simple commodity production, the whole process of exchange was expressed in the formula: commodity (W) - money (G) - commodity (W)<sup>2</sup>. "The ultimate end of this cycle was consumption, the fulfilment of needs, in short, the use of value."

However, commodities can be exchanged with other commodities, such as the money we use. (Money, by its very nature, is a special commodity.) In other words, goods can be exchanged for money. This characteristic of a commodity is called its value.

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<sup>2</sup> The English letters W and G are used in the Chinese original and all other Chinese language renditions of Marx's formula. This follows the German "ware" for "commodity" and "geld" for "money". In English, Marx's formula is written as C-M-C.

Let's return to the labour that is sold in the market, where labour, as a commodity, has both a value and a use value, just like any other commodity.

The use-value of labour is not new to us: when a boss hires workers, he is asking them to produce a product for him, and the specific production work, such as the production of screws and so on, is called concrete labour. The value of labour is also familiar to us: it is the wage of our workers. Labour creates value. Abstract labour creates the value of commodities. That is to say, the reason why a commodity has value, and why it can be sold for more money than it costs to buy the raw material, is that the workers have added the value of their labour to the raw material by doing some work on it. That is why commodities can be sold for more money than the money spent on raw materials. And even if a natural object, any raw material, is to be exchanged as a commodity, the value of human labour must be incorporated into the raw material after it has been extracted, cultivated, and transported, etc. The value of human labour is also incorporated into the raw material.

Under the conditions of capitalist commodity production, the entire exchange process is expressed in the formula: money (G) - commodity (W) - money (G). Since the G at both ends of this formula is money as the general equivalent, which is qualitatively equal, if the G at both ends of the formula were equal, this exchange formula would be meaningless. Therefore, the formula G-W-G must be expressed as a formula G-W-G', and there must be an increase in value in order for it to be meaningful.<sup>3</sup>

For us, commodities are purchased for our own needs. For the bourgeoisie, on the other hand, the purchase of labour is a special commodity because the labour purchased is able to work in their factories (the means of production). In this way, the purchased labour creates value for the bourgeoisie, a value that is much higher than the value of the labour itself. It is precisely because labour creates far more value than it needs to, that the bourgeoisie buys labour. The part of labour that creates more value than it needs is called surplus value. The capitalist system is based on surplus value.

#### **4. Capital**

The capitalist system depends on the surplus value of the proletariat in order to live. And it is through capital that the capitalist system squeezes the surplus value of the proletariat.

What is capital?

Capital is a social force.

Capital is a social relation of production. It is a bourgeois relation of production, a bourgeois social relation of production.

What does this mean?

That is to say, capital is not the same as plant, machinery. Capital is a relationship between people.

With the development of civilisation, people need to cooperate with each other in the production process, and this relationship is the social production relationship.

Capital is expressed in terms of commodities, i.e., exchange value, but not any commodity is capital.

How exactly does the sum of some commodities, i.e., some exchange value, become capital?

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<sup>3</sup> In English, Marx's formula is written as M - C - M'.

It becomes capital because it is preserved and multiplied as an independent social force, i.e. as a force belonging to a part of society (the bourgeoisie), through the exchange of direct, living labour power. The existence of a class that has nothing but labour power (the proletariat) is a necessary precondition for capital.

It is only because the accumulated, past, materialised labour (the commodities produced in the past, including machines and raw materials) supports the direct, living labour (the labour sold by the proletariat) that the accumulated labour (the commodities produced, of which the part belonging to the means of production continues the process described above) becomes capital.

The essence of capital is not that accumulated labour serves as a means of new production on behalf of living labour. Its essence lies in the fact that living labour serves as a means of preserving itself and increasing its exchange value on behalf of accumulated labour.

That is to say, in bourgeois society, living labour is only a means of multiplying the labour that has already been accumulated. In a communist society, accumulated labour is only a means of expanding, enriching and improving the life of the workers.

### **The Economic Crisis of Capitalism**

The history of capitalism is the history of the development of capital. Capitalism is built on capital.

As capitalism develops, the accumulation of capital expands and concentrates, producing an excess of goods, which is matched by the growing poverty of the workers. There is too much production and too much exploitation of the workers, but because of this, because the workers are so exploited, they have no money to buy the products produced. The bourgeoisie will never give the products to the workers because they cannot benefit from them. They would rather reduce production and stop the production line so that the old products can be sold. After one depression, capitalism recovers on the basis of that depression, but inevitably moves on to a second depression.

The root cause of the capitalist economic crisis is fundamentally the capitalist system and the fundamental contradiction inherent in it, namely the contradiction between the socialisation of production and the capitalist form of appropriation of the means of production. That is to say, capitalist production is socialized, and unlike the feudal mode of production, it transforms the means of production into means of production that can only be used by a large number of people working together; it transforms individual labour into the collective labour of a thousand people working in concert with each other; and it transforms products that used to be consumed mainly by individuals into commodities to be consumed by the whole of society. In this way, the whole of capitalist production has become an interdependent and closely linked whole. However, under the capitalist system, the social means of production and the products of labour do not belong to all workers, but are owned by a few capitalists. This is the basic contradiction of capitalist society. It is the concrete manifestation of the contradiction between the productive forces and the relations of production under the capitalist system. As Engels said, this contradiction "already contains the germ of all modern conflicts".

The basic contradiction of capitalism, that is, the contradiction between socialised production and capitalist private ownership, is inevitably manifested in the contradiction between the tendency of unlimited growth of production and the relative shrinkage of the purchasing power of the masses, and this contradiction is the most immediate cause of the capitalist economic crisis. Marx pointed out that while the final cause of all real crises is always the poverty of the masses and their restricted consumption, the impulse of capitalist production, on the contrary, is to develop the productive

forces at all costs, as if only the absolute capacity of society to consume were the limit of the productive forces. Socialised mass production, which develops in a state of competition and productive anarchy, has an "immense expansive power - the expansion of gases is child's play compared to it". In order to make as much profit as possible, the capitalists are bound to increase their accumulation and expand production; at the same time, the fierce competition among the capitalists also forces them to constantly improve their technology and expand the scale of production. However, the system of private ownership of capitalism turns a large part of the value created by the labouring masses into profits in the pockets of the capitalists, "restricting the consumption of the masses to the minimum level of starvation, and thus destroying their own domestic market". "The expansion of the market has not kept pace with the expansion of production." This made the economic crisis of overproduction inevitable.

## **V. Socialist economic principles**

The Communists can summarise their theory in one sentence: the elimination of private ownership.

History teaches us that the elimination of private ownership becomes possible only when capitalism reaches its decline, i.e. the final stage in the history of private ownership.

Communism is not characterised by the abolition of ownership in general, but by the abolition of bourgeois ownership.

In other words, communist society has to eliminate capital throughout the world.

Socialist society has to prepare the way for communist society.

Socialism, then, requires us not only to eliminate capital in our own countries, but also to limit bourgeois right and to bring revolution to the whole world.

It is easiest to eliminate capital in one's own country. The proletariat certainly hopes that the bourgeoisie can peacefully withdraw from the stage of history itself. But the proletariat has never said that we will not use violence. Whenever the bourgeoisie dares to resist us, we will deal with them with bayonets and shells. Until they are completely removed from the stage of history.

The proletariat fulfils this task with ease.

However, after the proletariat has overthrown the capitalist regime and eliminated its own capital, how should it develop a socialist economy? What exactly should a socialist economy look like? How can the socialist economy be made to serve the interests of the working class?

### **Capitalist remnants in the socialist economy:**

Socialist society was born out of capitalism, and it bears the remnants of the old society everywhere.

When the proletariat came to power, the first thing it did was to destroy capital. The proletariat destroyed the relations of production under the capitalist system and took over the means of production and so on from the proletarians.

However, although the proletariat had gained power, it could not enter the communist society in one step.

This is because a communist society is based on a high degree of development of the productive forces. The great development of the productive forces, in turn, must be preceded by a change in the superstructure, that is, the establishment of the socialist system. After the establishment of the

socialist system, it will take many years of struggle to realise the great development of the productive forces under the conditions of a socialist society and the gradual elimination of bourgeois right, and to realise the dictatorship of the proletariat all over the world and the transition to a communist society.

In other words, although the proletariat has gained power, it has not yet taken the first step into communist society because the development of the productive forces is not yet able to satisfy the needs for the realisation of communism.

Traces of capitalism remain everywhere in socialism. On the economic front, these traces are manifested in the two aspects of production and circulation in society.

### **Capitalist remnants in socialist production:**

The wealth of a society dominated by the capitalist mode of production is expressed in a "vast accumulation of commodities", and individual commodities are the elemental form of this wealth.

A socialist society eliminates national capital from the outset. But a socialist society does not eliminate commodities from the beginning.

"What is a commodity? It is a product produced in a society of private producers more or less separate from each other, that is to say, in the first place a private product."

Why is it that under socialist public ownership, the products of society are still private and remain commodities?

This is because a socialist society does not break down at once the barriers between enterprises, between workers and peasants, or between different categories of production.

For example, in the once socialist collectively owned enterprises in China, the products produced by them were not yet the public property of all the workers in society. The workers of a collective enterprise jointly owned their collective private property, even though it was no longer private property. Moreover, the members of such a collective enterprise are primarily responsible for its profit and loss and for the distribution of labour. In this sense, the products of collectively owned enterprises and the labour used to produce them bear the traditions or traces of private products and labour.

Although the products produced by China's former state-owned enterprises belonged to the socialist state, the labour force used to produce these products was organised within the whole of society, and the amount of labour spent and the amount of income earned in the production process were in the interests of all the working people, the various state-owned enterprises still maintained their relative independence in terms of production and operation, and they were relatively independent economic units. This relative independence of state enterprises is not technical, but rather an economic relationship, which shows that there is still a "you and me boundary" between state enterprises. Here, although there are no different owners, the relationships or interrelationships are still established in the same way as between different owners, unlike in the future communist system of universal ownership. This is because the relations of production must be adapted to the requirements of the development of the productive forces. At a time when the productive forces of society have not yet developed to a high degree and when the products of society have not yet been enriched to a great extent, the abolition of the relative independence of the state enterprises in terms of production and operation will not be conducive to their being independently accountable to society or to the better mobilisation of their sense of responsibility and motivation in their

production and operation, and thus will not be conducive to the development of the productive forces of society. Since socialist state enterprises are still relatively independent economic units, their products and the labour used to produce them cannot help but bear certain traditions or traces of a private nature.

The products of socialist labour are, on the one hand, to varying degrees directly social (belonging to the society, produced for the needs of the society) and, on the other hand, to varying degrees, they bear the traditions or traces of privateness. This is the duality of socialist products. This duality reflects the characteristics of the socialist relations of production and the particularity of the contradictions. In this duality of the socialist product, direct sociality is the dominant aspect of the contradiction, which is what makes the socialist product similar to the communist product, while privatisation reflects the traditions or traces of the old society and shows that it is inextricably linked to the private economy.

In a socialist society, since the various production units are independent of each other, and since the products still bear the tradition or traces of private products, the acquisition of the products of one party by another cannot be achieved by direct social distribution without compensation, but only through the transformation of the products into commodities by means of an exchange of equal prices. Therefore, the socialist State must also practise the system of commodity production and commodity exchange.

Products under socialist conditions have begun to have direct social characteristics, but at the same time they still have a certain degree of privateness and are still commodities. This situation will definitely be reflected in the production process, making the socialist production process at the same time a commodity production process, so the duality of being a commodity production process still exists. This means that, on the one hand, it is a labour process in which the producer's labour, as concrete labour, creates use values; on the other hand, as abstract labour, it creates new values.

In any society, the labour process, from the point of view of its various stages, is nothing other than the process by which people with the capacity to work, using all kinds of means of labour, act on the objects of labour to produce various kinds of desired products; it is a purposeful activity that creates use-value, and it is a process of material transformation between human beings and nature. However, any labour process always takes place in a certain social context. Therefore, any labour process reflects not only the relationship between people and nature, but also the social relationship between people themselves. From this point of view, the labour process under the socialist system is very different from that under the capitalist system.

In bourgeois society, living labour is only a means of multiplying labour that has already been accumulated. In capitalist society, the more productivity develops, the more the working class is exploited and the more miserable it becomes. In a communist society, the labour that has been accumulated is only a means of expanding, enriching and improving the lives of the workers. In this sense, the socialist labour process already has an element of direct social labour. In a communist society, the more the productive forces develop, the easier the workers work and the better they live, and the more energy they have to fight for the future of mankind.

The capitalist opens a factory in order to exploit the workers and make a profit through the process of value multiplication. Value multiplication is the dominant aspect of capitalist production and embodies the most essential relationship in capitalist production. Marx pointed out that "the aim of capital is not to satisfy needs, but to produce profit", and that "capital and its self-expansion are the beginning and the end of production, the motive and the aim of production".

Socialist public ownership of the means of production makes it necessary for social production to serve to ensure the satisfaction of the needs of the proletariat and the working people as a whole. The needs of the people, whether they are common or individual, long-term or immediate, can only be satisfied by means of different kinds of use-values, that is, material wealth (products). Therefore, the labour process of creating use-values (products) in order to satisfy the various needs of the working people in a systematic way is the dominant aspect of socialist production, embodying the objective purpose of socialist production and the most essential relations in socialist production. The process of value creation is subordinate to the labour process of creating use values. In the process of socialist production, it is entirely necessary to account for labour costs and to calculate profits and losses. However, what is produced and how much is produced must not be based on the size of the output or the amount of profit, but rather on the needs of all working people. Wherever there is an urgent need for the working people, we must do our utmost to expand production, even if it is at a temporary loss. On the other hand, where the working people's needs are less urgent, production should not be expanded arbitrarily, even if the output value is large and the profits high. The reason why socialist enterprises have to account for their labour consumption and calculate their profits and losses is that they have to reduce their consumption of production, so that they can not only make up for it in value, but also provide an ever-increasing amount of social funds, so that they can develop their production at a high rate and increase the supply of social products. In the final analysis, the labour process includes the process of value creation, which aims at creating ever-increasing social wealth, but unlike capitalism, it creates social wealth to satisfy the needs of all working people. Even before the victory of the October Revolution, Lenin stated that in a socialist society, "the wealth created by common labour is for the benefit of all the workers and not for a handful of rich people."

The practice of the international communist movement has proved that it is not yet possible, for a long period of time in a socialist society, for all the means of production to be owned by society as a whole, and that socialist ownership of the whole population itself still bears certain traditions or traces of private ownership. Thus, on the one hand, the socialist system of public ownership has enabled social products to take on a directly social character; on the other hand, the socialist system of public ownership is not yet fully mature, so that social products still have a certain degree of privatisation, and have to be transformed into commodities. This is how the unique phenomenon of the product being directly social and at the same time a commodity came about. Its characteristics are: firstly, it mainly reflects the relationship between the two labouring classes, the workers and the peasants, in terms of their mutual exchange activities; secondly, it is mainly carried out under the guidance of the socialist State's planning and directly for the purpose of satisfying the needs of the socialist State and the people. Thirdly, compared with capitalist society, the scope of commodities has narrowed considerably, labour is no longer a commodity, nor are natural resources such as land and mineral deposits; the exchange of commodities between enterprises under universal ownership, which is an exchange within the same ownership, is beginning to undergo qualitative changes compared with the exchange of commodities between different owners in the past.

However, as long as commodities and commodity production exist, the general characteristics inherent in commodity production remain. These characteristics are mainly as follows: firstly, as commodities, they have two elements, namely, use value and value, and there is inevitably a contradiction between use value and value, concrete labour and abstract labour, and private labour and social labour. In socialist societies, although the labour involved in the production of commodities is basically collective labour under the guidance of the State plan and is of the nature of direct social labour, there are still traditions or traces of private labour. Secondly, the law of value, which is the basic law of commodity production, comes into play. The value of a commodity is still

determined by the socially necessary labour time for its production. As a result, different socialist enterprises producing goods can earn more if their individual labour time is lower than the socially necessary labour time, while those whose individual labour time is higher than the socially necessary labour time can only earn less or even lose money. Thirdly, money as a general equivalent still exists. The value of commodities is expressed in money, that is, in prices. In a socialist society, there will still be deviations between the value and price of commodities. Since the deviation between price and value varies from commodity to commodity, with some commodities having a price higher than their value, some roughly equal to their value, and some lower than their value, this will further lead to the situation where the producers of different commodities consume an equal amount of labour but receive an unequal amount of income. All of the above shows that as long as products are commodities and social production takes the form of commodity production, the bourgeois legal right of apparent equality and de facto inequality inherent in commodity production will continue to exist.

It is precisely because the purpose of socialist production is still linked to the commodity system that it provides an important economic condition for the profit motive. If a state under the dictatorship of the proletariat does not limit the commodity system and allows the profit motive to flourish, it will ultimately change the purpose of socialist production and disintegrate the socialist economy. In the USSR, the purpose of production has fundamentally changed. The pursuit of profit has become the purpose of production for the Soviet bureaucratic monopoly bourgeoisie. The basic economic law of capitalism, the law of surplus value, has replaced the basic economic law of socialism. In order to conceal the essence of the restoration of capitalism, the group of Soviet traitors deliberately confused the socialist production process with the capitalist production process, describing it as "the unity of the labour process and the process of the increase of value", and highlighted the increase of value as the dominant aspect, saying that "the most important summary indicators of an enterprise's financial activity are profit and profitability" and call for "a struggle for higher profits". But in this way, the reactionary face of their desperate attempts to plunder the surplus value created by the working people of the USSR was exposed.

#### **Capitalist remnants in socialist circulation:**

The means of production and consumption consumed in the process of socialist production and reproduction need to pass through the process of circulation in order to be compensated for in physical form (in exchange for products) and in value form (in exchange for money). Otherwise, reproduction cannot continue. Therefore, after a preliminary analysis of the socialist production process, we will analyse the socialist circulation process.

The socialist circulation process is still the process of commodity exchange. Commodity exchange is an important breeding ground for the incubation of capitalism and the bourgeoisie. Under the socialist system, the emergence of the new bourgeoisie and the restoration of capitalism by the capitalist wing of the Party are inextricably linked with commodity exchange.

The ultimate goal of socialist commodity exchange seems to be the same as that of exchange under the conditions of simple commodity production, which is the fulfilment of needs and the use of value. However, it is qualitatively different from exchange under the conditions of simple commodity production. Simple commodity production is based on individual ownership. Generally speaking, a family is a unit of production, and therefore, in the process of production and exchange, it can only be regulated by the law of value, and polarisation is particularly intense. Commodity production in socialist society is based on universal and collective ownership, so that in the process of production and exchange, the law of planned and proportional development emerges, which is able to regulate

commodity production and exchange on a nationwide scale; whereas the scope of the law of value has already been greatly restricted, so that in general, there will not be the kind of polarisation that occurs under conditions of individual ownership. In addition, the needs to be satisfied are different: simple commodity production satisfies the needs of the individual producer himself; commodity production in socialist society satisfies the needs of society. The members of society as a whole share the means of production, consciously use their many individual labour forces as a social labour force, produce and consume together, and each member of society is the master of the social product. At that stage, the process of exchange of social labour is neither sold nor bought for the sake of buying; the formulas  $W-G-W$  and  $G-W-G'$  will have passed out of history; the product will no longer be transformed into a commodity, and thus will no longer be expressed in value. Society carries on the process of production and distribution of direct social goods from its own needs.

In a socialist society, the point has not yet been reached where the whole society owns all the means of production, and there are still two types of public ownership. Intercepting a slice of the production process of an enterprise under socialist conditions, we can still see the money-capital cycle in the form of  $G-W-G'$ , but even in this slice of the cycle an increased amount of value is realised, not in the form of the surplus value of capital brought about by the transformation of labour into commodities, but in the form of new value created for society by the worker as the master of society - social net income. This new value is still intended to satisfy the needs of the labourers and to further expand the production of use-values. Therefore, from the perspective of the total process of socialist production, social production is essentially  $W-G-W$  production. In a socialist society,  $G-W-G'$  is only a fragment of the whole capital cycle, and it does not exist in isolation, but is subordinate to  $W-G-W$ . Therefore, the exchange of commodities under socialist conditions can also be said to be the exchange under the conditions of simple commodity production in an enlarged and higher stage, and what they have in common is the fulfilment of needs and the use of values, both of which are  $W-G-W$ , both of which are selling for the sake of buying. It is only that under socialist conditions, this exchange of commodities to satisfy needs is not for the sake of one household, but for the sake of thousands of households, i.e., to satisfy the needs of the state and the people. But "the production of commodities and the developed circulation of commodities, i.e. trade, are the historical prerequisites for the emergence of capital". Socialist society is a foetus from capitalist society, and as long as there is commodity circulation, that is,  $W-G-W$ , capitalism and the bourgeoisie will arise. That is to say, under certain conditions, the exchange of commodities for the purpose of realising use-value, i.e.,  $W-G-W$ , will also be transformed into the pursuit of surplus-value,  $G-W-G'$ , so that the cycle of  $W-G-W$  will be subordinated to the cycle of  $G-W-G'$ , thus transforming money into capital. This is because, regardless of the type of exchange of goods, the value of the goods is realised. The value of a commodity is determined by the amount of labour necessary to produce it, i.e. the socially necessary labour time. Here, value is revealed as the embodiment of bourgeois right. In order to realise the value of commodities, "value-seeking mania" emerges, thus fundamentally denying that the purpose of socialist production and exchange is use value. The phenomena of profit-orientation, speculation and so on, which appear in the process of socialist commodity exchange, are in fact the process of transformation from  $W-G-W$  to  $G-W-G'$ , giving the latter an independent meaning. Once this transformation is completed, labour is reduced to a commodity again, money is transformed into capital again, and capitalism is restored. This is how the road to the restoration of capitalism in the process of commodity exchange was travelled by the group of Soviet traitors.

### **Bourgeois Right in Exchange Relations:**

The law of exchange of commodities is the exchange of equivalents. Marx said: "Commodity exchange in its pure form is an exchange of equivalents". This means that commodities are

exchanged in principle according to the amount of socially necessary labour they contain, that is, the amount of value. On the surface, this seems to be very equal, but in reality, it is unequal. In capitalist society, it is on the basis of the principle of exchange of value that the capitalist buys the labour of the worker, thus extracting his unpaid labour. The conditions of production are different between capitalists and small producers; a capitalist enterprise with abundant capital and modern technical equipment uses much less labour to produce the same commodity than a small producer, but the exchange of commodities can only be carried out on the basis of the same amount of socially necessary labour, which inevitably gives rise to inequality of income, and to polarisation, where the big fish eats the small fish and the small fish eats the small shrimp. It is obvious that the right to equality in the exchange of goods is a kind of bourgeois right, which in fact contains inequality, and which favours the bourgeoisie to the detriment of the workers, and the big bourgeoisie to the detriment of the petty bourgeoisie.

In a socialist society, although the socialist system of public ownership has been established and workers are the owners of the means of production and do not sell their labour as a commodity, bourgeois right is no longer recognised by society. However, products in general are still exchanged as commodities. Although the conditions of production vary from one production unit to another, and the actual labour time spent on the production of the same product varies, in principle the same amount of socially necessary labour must still be exchanged. For example, in the purchase of commodities, the commercial sector can never have different purchase prices for each unit producing the same product just because the production conditions of these units are different, but can only purchase commodities at the prices uniformly set by the state. That is to say, in the purchase of commodities, the State only recognizes the amount of socially necessary labour for the production of a certain commodity, but not the actual labour time spent by each production unit, which serves as an incentive for the backward enterprises to move forward, but also brings different incomes to units with different production conditions.

The exchange of goods is mediated by money. The value of the commodities exchanged is also expressed in prices. Because of the contradiction between the supply of and demand for commodities, the principle of equivalence "exists only in the average, not on every individual occasion". It is impossible in any society to achieve equivalence in every exchange of commodities and to achieve a perfect correspondence between price and value. The fact that the price of a commodity deviates from its value, and that commodities of equal value are sold on the market at different prices, is another manifestation of bourgeois right in the exchange of commodities.

In a capitalist society, under conditions of competition and anarchy of production, the tendency to equal exchange can only be expressed through fluctuations in market prices, through constant deviations of prices from one time to another above and below the value. In socialist societies, the goods exchanged in the market trade are also subject to fluctuations in price, both high and low. In a planned market, the prices of commodities are not formed spontaneously in the market competition, but are set by the state organs in a planned manner. However, the prices of various commodities prescribed by the plan also have different degrees of deviation from their values. The producers of commodities whose prices are higher than their values receive more income through exchange, while the producers of commodities whose prices are lower than their values receive less income, thus creating de facto inequality.

The existence of bourgeois right in socialist exchanges is unavoidable. The socialist state under the dictatorship of the proletariat has to make use of it in the interests of the proletariat for the

construction of socialism. However, bourgeois right in the exchange of commodities is also the soil from which capitalism and the bourgeoisie emerge.

In the history of mankind, the merchant class "does not take part in production at all, but completely seizes the leadership of production and economically subordinates the producers to itself, becoming the indispensable intermediary between each of the two producers and exploiting both of them". With the formation of this truly socially parasitic class, the commodity system based on private ownership was finally formed. Capitalism and the bourgeoisie emerged from the polarisation of small commodity producers through the incubation of the sphere of circulation. This historical phenomenon is noteworthy because it shows us that as long as the system of commodity exchange is in place, the ground for the emergence of capitalism and the bourgeoisie exists.

As long as the system of commodity exchange exists, there will be a breeding ground for capitalism and the bourgeoisie. Therefore, in the field of exchange, the struggle between the proletariat and the bourgeoisie for and against restrictions will continue for a long time.

## **6. This is how the Soviet Union restored capitalism**

As we have said in previous articles, Stalin did not do a good job of limiting bourgeois right because he did not correctly understand the problem of the struggle between the two lines of socialist society. It was for this reason that the Communist Party of the USSR was taken prisoner almost unopposed by Khrushchev's restoration. The ground for the birth of the party bourgeoisie in the USSR had already been formed during the time of Stalin, and the Bolsheviks led by Stalin did not make a good judgement on the birth of the party bourgeoisie. Since the soil for the birth of the party bourgeoisie was not well limited, the Communist Party of the Soviet Union before Stalin's death was almost in the hands of the party bourgeoisie in the process of formation.

In previous articles we have also pointed out:

The struggle between communism and opportunism is a struggle between "public" and "private".

The war of public opinion between the proletariat and the bourgeoisie did not stop at the beginning of the socialist revolution and the proletariat's rise to power, not only because capitalism was still strong in the world at the beginning of the proletariat's rise to power, but more importantly, because the concept of private ownership created by thousands of years of privatised societies had not yet been eradicated, and remained in the world, generating opportunistic soil at any time. It can be concluded that the moment the proletariat came to power did not in any way mean that the protracted class struggle was coming to an end, but rather that the brutal class war - that is to say, the white-hot class struggle - had just begun.

In order to eliminate the last ground for opportunism and the final elimination of private ownership, the proletariat has to consciously and constantly wage an uncompromising war against the capitalist concept of private ownership in ideology, public opinion and even in the economy, and to fight relentlessly against all the elements of capitalism in order to gain access to the superstructure and the economic base.

In the USSR, there was no good conscious and constant ideological, public and economic struggle against the capitalist concept of private ownership.

### **The economic basis for the emergence of the bourgeoisie in the party:**

The economic base determines the superstructure, and the bourgeoisie within the Party has its economic base.

This economic basis is the struggle between public and private interests on the economic front.

This struggle is fought on the economic front and is less visible than the struggle in the fields of ideology and public opinion, but its impact is greater and the struggle more intense.

As we have said before, capital is a social relation of production. It is a bourgeois relation of production, a relation of production in bourgeois society. In other words, capital is profit-seeking. Capital is the constant multiplication of its dead labour, its materialised labour (plants, machines, commodities, etc.), through the absorption of living labour.

The essential economic difference between a socialist society and a capitalist society is that the purpose of production in a socialist society is to satisfy the needs of all the people. In other words, production in a socialist society is social. However, as mentioned above, there are still commodities in socialist society, there is still a duality of production, there is still a duality of labour, and so on. And these are the bourgeois right that still exists in socialist society.

We say that the profit hangover is the breeding ground for the bourgeoisie in the party. Let's run through the logic of the emergence of the bourgeoisie within the party.

Profit is the leader, that is to say, enterprises only produce for the purpose of value, do it if it makes a big profit, do it if it makes a small profit, and stop doing it if there is no profit. In the beginning, it was enacted as a policy in the Soviet Union. When this policy was first promulgated, people did not think there was anything wrong with it. However, as this policy continued to deepen, the suffering of the working class gradually began.

The Soviet revisionist traitor group regards "material stimulation" as the main means of developing production. Driven by "profit in command" and "material stimulation", the agents of the bureaucratic bourgeoisie who control the leadership of Soviet revisionist enterprises do not care at all about the development of enterprise production and the needs of people's lives, but regard maximizing profits as the main task of running enterprises. The main purpose and supreme principle. The principle of profit governs the direction and volume of their production. The Soviet newspaper Kommersant admitted that "some leaders of the factories are unwilling to take into account the needs of the market and have stopped the production of products which are in great demand by the population", "because of the low rate of profitability of these products". As the profits of the bureaucratic monopoly bourgeoisie rose, their exploitation of workers became more and more brutal. According to statistics, the rate of exploitation in the industrial sector of the USSR was as high as about 200 per cent in 1973, which was more than double the rate of exploitation in the industrial sector in 1908 in Tsarist Russia.

The profit motive not only brought chaos to the Soviet domestic economy, but also threw the Soviet working class back into the cycle of capital, and the exploitation of the working class by capital deepened. The relegation of labour to the status of a commodity is the inevitable consequence of this process of profit-orientation. The relegation of labour to the status of a commodity is an important sign of the commodification of Soviet society today and of the full restoration of capitalism. Workers and farmers, who used to be the masters of enterprises and farms, have been relegated to the position of being exploited and oppressed, and have once again been reduced to the status of wage slaves who sell their labour for a living. The Soviet journal Economic Problems (No. 7, 1967) bluntly declared that "labour is a commodity under socialism".

The domination of profit and the relegation of labour to the status of a commodity contributed to making Soviet society virtually capitalist. The change in colour of Soviet society was accompanied by the formation of a new party bourgeoisie in opposition to the working class.

The bourgeoisie within the Party arose within the Party because in the USSR, with the introduction of the system of one-head<sup>4</sup>, the difference between workers and cadres was not progressively limited, and as a result, in the socialist USSR, the difference between workers and cadres gradually developed. As a result, the distinction between workers and cadres was gradually formed in the socialist USSR, and these two groups were placed in different positions in the social production system of the USSR. As a direct result of this, the cadres under the system of one manager became the ones who commanded the capital of the enterprise. The capitalist is the personification of capital. And the profit-oriented cadres are exactly the same as the capitalists of the tsarist era. The profit-commanding cadres are the ones who direct the capital of the enterprises, the personified new capital, the new bourgeoisie of the party. Just as some capitalists may be philanthropists, the person who carries out the capitalist line in socialist society does not necessarily benefit from this process, but this does not prevent him from exploiting the proletariat virtually all the time. His soul is the soul of capital. Capital has only one life instinct, which is to multiply itself, to acquire surplus value and to suck up as much surplus labour as possible from its constant part, the means of production. In fact, they are making the proletariat exploited all the time. They send the proletariat into a capitalist hell.

### **The path to the restoration of capitalism in the Soviet Union:**

The metamorphosis of universal socialist ownership in the USSR into monopoly bourgeois ownership by the bureaucrats (party bourgeoisie) was closely linked to the change in the nature of the Soviet state. The rise to power of the Khrushchev and Brezhnev clique of traitors, and the rise to power of the "party members" who followed the capitalist line, was the rise to power of the bourgeoisie. When the class nature of the state changes, the nature of ownership is bound to change with it.

After Khrushchev and Brezhnev's group of traitors came to power, they took the capitalist line in the Soviet economy, which led to the full restoration of capitalism in the Soviet Union. The capitalist line is a revisionist line with profits at its centre and material stimulus at its core.

As early as 1953, Khrushchev's group of traitors made resolutions on "expanding the powers of enterprise managers" and "expanding the powers of factory directors", etc. At the Twentieth Congress of the Soviet Union in February 1956, Khrushchev called for the "necessity of thoroughly applying" the "principle of individual material incentives", and in 1957 he proposed that "profitability

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<sup>4</sup> According to this "one-head" enterprise leadership system, there is only one leader of the enterprise and the units under its jurisdiction. This leader was appointed by the superiors and was solely responsible for all the work of the enterprise, within the limits of the state program and Soviet law. All personnel of the enterprise must obey the orders and commands of this leader. The idea of a one-head system was put forward by Lenin in his March 1918 decree on the centralized management of railways, the protection of roads and the improvement of transport capacity. The central government affirmed the principle of the one-head system in 1920, but it was not fully implemented until 1934. Following Soviet practice, China adopted a one-head system in the early 1950s, but in 1960, the CCP began to implement the Angang (Anshan Iron and Steel Corporation) Constitution in the People's Republic of China to replace the one-head system. During the GPCR, the system of vesting leadership in revolutionary committees based on a three-in-one combination of workers, soldiers and the Party strengthened the collective leadership. However, when the state-owned enterprises were restructured in the late 1990s following the restoration of capitalism in China, some enterprises that had abolished the one-head system began to change their management systems back to the one-head system. In his Principles of Communism Engels pointed out that "the inevitable consequence of individual management of industry is private ownership".

and the use of production funds" should be made the basis for planning and evaluating the performance of enterprises and construction units, and in 1961, at the 22nd Congress of the Soviet Union, he further proposed that "the significance of profitability and profitability should be raised" as a "programmatic requirement" of the Party. In September 1962, in Pravda, a black article entitled "Plan-Profit-Bonus" by Liberman, an economist in the service of the USSR, was published, systematically advocating a programme for the management of state enterprises centred on profit and material incentives, and a discussion of the article was organised in the major newspapers. After the preparation of public opinion, the November 1963 Plenum of the Central Committee of the Soviet Union confirmed Liberman's proposal and decided to "carry out wide-ranging experiments".

The main content of the "Lieberman Proposal" is to replace "administrative means" with "economic means (profits, bonuses, prices, currency, etc.)" to "stimulate" enterprise production. Specific measures are: evaluate enterprise work based on profitability, "the higher the profitability, the greater the bonus"; simplify and "improve" the enterprise's planning work, the state only issues "product output varieties and delivery deadlines" to enterprises. It expanded the power of enterprises to use incentive funds drawn from profits; and to stipulate "principles and procedures for flexible setting of new product prices" to ensure profits.

As soon as the "Lieberman's proposal" came out, in October 1962, the Department of National Economic Planning of the Soviet State Planning Committee decided to carry out experiments in Ukraine and Leningrad. On 1 July 1964, the Women's Bolshevik Plant of the Moscow City Committee of National Economy and the Lighthouse Plant of the Volga-Vyatka Committee of National Economy also began to experiment with the "new system of planning work".

What is the "Lieberman proposal"? To put it bluntly, it is the arrangement of production and business activities of enterprises in accordance with the capitalist profit principle. Everything is done for the sake of making money, and there is nothing else but getting rich quickly. The implementation of Lieberman's proposal is to organise production and operation in accordance with capitalist principles, to restore the capitalist system, to separate the labourers from the means of production and to transform the means of production into capital. Since Brezhnev came to power in October 1964, in the name of "extensive implementation" of "economic reforms", he has fixed Khrushchev's set of measures for the restoration of capitalism in the form of laws in the so-called "Regulations on Socialist State Production Enterprises" and some other resolutions. Khrushchev's set of measures for the restoration of capitalism was fixed in the form of a law and became the "new economic system" for the restoration of capitalism.

The Regulations on Socialist State-Owned Production Enterprises, as amended by the Soviet Union, stipulate that: "Powers relating to production and business activities shall be exercised by the manager (supervisor, master) and other responsible persons of the enterprise in accordance with the division of duties." The manager of the enterprise has the right to determine the staffing quotas of the enterprise, to "recruit and dismiss staff, to adopt incentives and to impose penalties on the staff of the enterprise"; to determine the wages and bonuses of the staff; to sell, transfer or lease the means of production of the enterprise; and to dispose of the "economic stimulus funds, etc." at the expense of the enterprise.

Lenin pointed out that "the deepest economic foundation of imperialism is monopoly". Monopoly capital in the capitalist countries is a product of the concentration and accumulation of capital in the process of free competition and over a long period of time, when the big fish eat the small fish.

The socialist economy under universal ownership is a highly socialised economy closely linked to state power. In the event of a full-scale restoration of capitalism in a socialist country, the capitalist economy resulting from the degeneration of the socialist system of ownership for all will certainly be manifested from the outset as a highly centralised state monopoly capitalism, and the bourgeoisie within the party associated with it will be the bureaucratic monopoly bourgeoisie. The capitalism of the restored USSR is this kind of state monopoly capitalism. It is the economic basis of Soviet social imperialism.

It is precisely for this reason that the group of Brezhnev traitors is actively following the methods of capitalist monopoly organisations, actively promoting the so-called "economic accounting-based" production joint companies, in order to strengthen the bourgeois monopoly rule of this group of traitors over the economy of the USSR.

The first production combines appeared in 1961 with the Forward Shoe Company and the Aurora Leather Company in the Lviv Economic District of Ukraine, and in 1962, the November Plenum of the Central Committee of the SFSR decided to gradually merge enterprises and create various production combines (companies), with experiments being carried out in Moscow and Leningrad, among others. By the 24th Congress of the CPSU, Brezhnev further emphasised that "the policy of creating joint companies and joint enterprises must be implemented more resolutely - in the future they should become the basic economic accounting units of social production". On 2 March 1973, the Soviet Central Committee and the Council of Ministers of the USSR concocted "Certain Measures on Further Improvement of Industrial Management", which called for the consolidation and accelerated development of production joint ventures. In this way, the grass-roots organisation of state monopoly capitalism, the production joint ventures, quickly developed under the impetus of the Soviet revisionist group of traitors. According to the Soviet revisionists, "the consolidation of enterprises through the subordination of currently independent small and medium-sized enterprises to large enterprises is of urgent significance." The number of joint ventures in the USSR increased from a handful in the early 1960s to more than 1,500 in October 1974 under the strong advocacy and coercion of the Brezhnev gang.

The group of Soviet revisionist traitors changed the nature of socialist collective ownership at the same time as they transformed socialist ownership for all into bureaucratic monopoly bourgeois ownership. Although the name of "collective farms" remains unchanged, its essence, like that of the enterprises owned by the whole people, has also changed.

Collective farms are a form of co-operative system. Lenin, in his essay "On Co-operative System", made it clear that not every kind of co-operative is socialist in nature. Lenin said, "There is no doubt that co-operatives are collective capitalist organisations under the conditions of the capitalist state." With regard to the nature of the co-operative system, Marxists examine it in relation to a certain state power and the dominant economic form. It is only under the leadership and with the help of the dictatorship of the proletariat and the socialist state-run economy that the socialist, collectively owned co-operative organisations of the working masses can be established, consolidated and developed.

After Khrushchev and Brezhnev came to power, they completely changed the socialist nature of the Soviet collective farms. First of all, they replaced the chairmen of the collective farms in large numbers, dispatched their henchmen to usurp the leadership of the collective farms under the signboards of "knowledgeable specialists" and "talented organisers" and so on, and strengthened the control of the Soviet state apparatus over the collective farms through the State Bank of the USSR in the form of granting of loans and financial supervision, and so on. In the countryside, they ruled on a

revisionist line. On the one hand, it advocates the thorough implementation of the principle of "individual material stimulation" through the "expansion of commodity-money relations", so that "the state and the collective farms will be based on such economic relations"; on the other hand, it carries out constant "adjustments" and "reorganisations" to transfer the collective farms to the capitalist road.

As early as 9 March 1955, the group of Soviet revisionist traitors attacked the agricultural planning system of the Stalinist period as "unnecessary", "bureaucratic, over-exaggerated, and divorced from the realities of life". It was stipulated that "commodity production should be the starting point of the programme" in place of the original programme of production (including crop varieties and sowing areas); collective farms could decide on their own the areas to be sown for various crops, as well as the rate of livestock production and the number of heads of livestock as long as they fulfilled the tasks of delivering sales to the state; "it is up to the members of the farms themselves to produce these products".

The so-called Model Statute of the Collective Farm, issued in 1969, further stipulated that the chairman of the "collective farm" had the right to lease or transfer the State-owned land used by the farm; the right to dispose of the farm's property and funds up to the point of free trade in production materials, such as agricultural machinery; the right to decide on the remuneration of the members of the farm for their labour and on bonuses; and the right to dismiss the members of the farm and the hired staff, among others. etc.

As a result of such a series of "adjustments" and "reorganisations", the means of production in the Soviet countryside, which used to be collectively owned by the masses of working peasants, fell into the hands of the bureaucratic monopoly bourgeoisie, with Brezhnev as its chief.

In addition to transforming the socialist public ownership system into a bureaucratic monopoly bourgeois ownership system, the Soviet revisionist group of traitors has also been vigorously supporting individual private ownership in both urban and rural areas: developing family side businesses, expanding gardens next to houses, encouraging free trade, and so on. According to the statistics of 1960, in the whole of the USSR, an average of 43 per cent of the cost of living of each family member depended on the income from the individual side business, and in many areas, even more than one half of the income was derived from the side business.

The so-called collective farm market in the USSR has long since become a capitalist free market. In March 1966, there were more than 7,200 such markets in the country; after 1970, there were more than 8,000 of them. These are fixed markets with a specific address. It does not count the small, what Soviet revisionists called spontaneous markets spread over docks, harbours, railway stations and so on.

The aim of the group of Soviet revisionist traitors in fostering individual private ownership is to make this individual economy a supplement to the bureaucratic monopoly bourgeois economy and a social basis for the bourgeois rule of the party.

The process of transforming socialist ownership into bureaucratic monopoly bourgeois ownership by the group of Soviet revisionist traitors is also the process by which the masses of workers and peasants in the USSR are again deprived of the means of production and reduced to the status of wage slaves.

Through their agents in the enterprises, the revisionist group of Soviet traitors has viciously intensified the exploitation of the workers by employing all kinds of means, such as controls, cards,

deductions and penalties. In addition to exploiting the workers in the name of the State in the form of taxes and profit contributions, they also arbitrarily expanded and strengthened bourgeois right in the area of distribution, and made the privileged classes of bureaucrats, factory directors, managers, chief engineers, chief accountants and so on exploit the workers wantonly by means of high wages, high bonuses and personal allowances of many kinds.

According to the Soviet press, after the introduction of Brezhnev's "new economic system", the monthly piece-rate wage of a turner in a Soviet state enterprise ranged from 50 to 60 roubles for a low-paid worker to 70 to 80 roubles for a medium-paid worker. What the bureaucratic monopoly capitalists, such as managers and factory directors, obtained by legal means, such as wages, bonuses and subsidies, was dozens or even hundreds of times higher than the workers' wages, and what was obtained by illegal means, such as embezzlement and theft, was not included in this amount. In order to intensify the exploitation of workers, the group of Soviet revisionist traitors, since 1969, has been strongly advocating and promoting the "retrenchment experiment" in the Shekino Chemical Combine. This "experiment" is an important step in the implementation of the "new economic system" by Soviet revisionism and an important measure to intensify the exploitation of workers. The "retrenchment experiment" was to reduce the number of people by increasing the labour intensity of the workers by "increasing the workload and expanding the scope of services". At the same time, it was stipulated that the total amount of the wage fund of an enterprise would remain unchanged for several years, and that the surplus wage fund resulting from layoffs would be returned to the enterprise and put at the disposal of a small group of privileged people. As a result of the "retrenchment experiment", not only did a privileged minority appropriate a very large portion of the surplus wage fund, but also a number of workers were laid off and left unemployed or underemployed, creating a relative surplus of people. According to the Soviet press, as of 1 July 1973, 70,000 workers had been laid off in 292 enterprises in the Russian Federation alone, which were "working according to the Shekino example". Even the First Secretary of the Moscow Regional Committee had to admit that unemployment had become a "nationwide" problem in the USSR as a result of the mass lay-offs of workers in the context of the "new system".

The brutal exploitation aroused the discontent and anger of the majority of workers. "We have a lot of millionaires here," said a 30-year veteran of the Soviet Union. "They have nothing in common with us, not only in life, but also in language." "The Soviet Union has become a capitalist country," says a student at a Moscow university. "Highly paid people live better than Western capitalists, and the whole country's factories and enterprises are in their hands. But ordinary people live in poverty, worse than in the days of the tsars." In 1970, the average Soviet farmhand actually received less than 60 rubles a month. In general, the chairman of a farm was paid more than 300 roubles per month, in some cases more than 1,000 roubles, and the chief economist, accountant, agronomist, mechanic, animal husbandman and other leading specialists were paid between 200 and 300 roubles per month. The income of the chairman of a farm was ten to twenty times higher than that of the average farmer. In addition, farm chairmen and their "think tanks" use "bonuses", "subsidies" and other forms of exploitation. In the Zhymyr region of Ukraine, the chairmen of peasant farms loot 15 to 25 per cent of the entire labour remuneration fund of the farms under the name of so-called "administrative fees" alone. Some of the chairmen of the farms live in luxurious homes and are well off, owning cars and villas, while the vast majority of the members of the farms live in poor wooden huts and small adobe houses, leading a life of poverty and deprivation.

The plight of the vast number of workers and peasants in the USSR illustrates that when the proletarian regime is usurped by the bourgeoisie, the working people will inevitably be plunged back

into the abyss of exploitation and oppression, and will have to suffer twice as much and be subjected to twice as many crimes.

It is the law of class struggle that the deeper the oppression, the stronger the resistance. Chairman Mao teaches us, "The USSR was the first socialist country and the Communist Party of the USSR was a party created by Lenin. Although the leadership of the Party and the state in the USSR has now been usurped by the revisionists, I urge comrades to firmly believe that the vast majority of the people of the USSR, the vast majority of its Party members and cadres, are good and are up for revolution, and that the rule of revisionism will not last long." The Brezhnev traitor group acted in a perverse way, but in the end they could only shoot themselves in the foot and be severely punished by history.

## **7. Conclusion**

However, history is cruel. China has embarked on the road of capitalist restoration, and like the Soviet Union in those years, the labouring people have been plunged into the abyss of exploitation and oppression, suffering twice as much as they have suffered.

In the next article, we will analyse why China has embarked on the road of capitalist restoration.

Restoration is an accident of history, opportunism is a trend of history, and communism is a necessity of history.

We believe that capitalist restoration, in China, will not last long.