

SOCIALISM IS DEAD! LONG LIVE SOCIALISM!

The Marx Code—Socialism with a
Human Face

(A New World Order)

By
Todor Bombov



Strategic Book Publishing and Rights Co.

Copyright © 2016 Todor Bombov. All rights reserved.

No part of this book may be reproduced or transmitted in any form or by any means, graphic, electronic, or mechanical, including photocopying, recording, taping, or by any information storage retrieval system, without the permission, in writing, of the publisher. For more information, send an email to support@sbpra.net, Attention: Subsidiary Rights.

Strategic Book Publishing and Rights Co., LLC
USA | Singapore
www.sbpra.com

For information about special discounts for bulk purchases, please contact Strategic Book Publishing and Rights Co., LLC, Special Sales, at bookorder@sbpra.net.

ISBN: 978-1-68181-965-5

I dedicate this work to my cherished parents, Boris and Nadezhda—pure and holy Bulgarians, great martyrs.

I dedicate this work to my uncle, too—Zdravko Bombov—who not only believed in the great idea but offered himself as a sacrifice to it when only twenty years old.

Table of Contents

Preface for the US Readers	7
Preface to the First Edition	10
Preface to the Second Edition	12
BOOK ONE: The State: Principles of Scientific Socialism	15
Chapter One: Origin and Nature of State	17
Chapter Two: The Socialist State.....	25
Chapter Three: The So-Called “People’s State”	44
Chapter Four: State-Monopoly Capitalism	50
Under the Mask of Socialism	50
In Global Scale	61
Chapter Five: The Transition Period.....	76
Chapter Six: Withering away of the State.....	83
Supplement.....	89
References to Book One	92
BOOK TWO: The Economic Theory of Socialism: Critique of Political Economy	95
Introduction.....	97
Chapter One: p’ = const. The Law of the Same and Constant General Rate of Profit	100
The Rate of Profit and the Law of Value	100
Price and Value	111
The Wage	116
Chapter Two: S’ = const. The Law of the Invariable Average Rate of Surplus Value	118
The Wage—A Self-Expanding Value.....	118
The Individual Wage.....	124

Chapter Three: $\frac{v}{c+v} = \text{const}$ The Law of the Preservation of the Labor Power (under Increasing Productivity of Labor).....	128
Scientific and Technical Progress and Unemployment	128
Accumulation and Reproduction on an Extended Scale.....	134
Policy of Taxation.....	155
Second Form of Social Property	163
Chapter Four: The Production Process—A Cycle of Carnot.....	173
Chapter Five: The Circulation and Circuit of Capital	178
Chapter Six: The Market	183
Chapter Seven: The Rent.....	194
Chapter Eight: The Credit	200
The Centralization and Concentration of Capital	200
The Cooperation	203
The Basic Rate of Interest.....	205
Withering away of Credit	206
Chapter Nine: The Commodity of Labor Power	210
Chapter Ten: The Inflation	218
Chapter Eleven: The So-Called “Payment of Labor”.....	236
Chapter Twelve: Withering away of the Commodity and Money .	244
New Communist Manifesto.....	250
The Contemporary Epoch.....	250
The Socialism	254
References to Book Two and Manifesto	264

Preface for the US Readers

Dear reader,

This book was under arrest, along with its author. This event occurred on March 27, 1986. During that time, the totalitarian system in East Europe was called *socialism* and even by the scientific nonsense and absurd names of *communism* and *communist system*. In this system, the official ideology was allegedly Marxism, but really it could not endure any Marxist criticism. Since this “socialist” system was afraid of the weapon of criticism, it applied criticism of the weapon against its own citizens, as Marx would have said. I had already written the first twenty odd pages when the “communist” State Security put me under arrest. After that, I had to reconstruct from memory all these pages. And I did. Then I continued writing the book. In 1993, when the “communist” regime toppled down, I succeeded in publishing the first edition of this book, and in 2002, I published the second edition. Now, in 2016, just thirty years after this arrest, I suggest to the US audience (as well as the world’s), a new edition.

Why?

Because the United States, Europe, and the whole world, in the beginning of the twenty-first century, are in need of a new fundamental alternative! All of us saw the two dazzling explosions of the rebels/romanticists, Julian Assange and Edward Snowden, who like fireworks illuminated the dusky night of the life of servitude of seven billion people, penned into the Matrix, and strangling in the noose of the contemporary world totalitarianism. All of us saw what happened a few years ago in New York, London, and other cities. Occupy Wall Street, Occupy London, Blockupy, Zeitgeist, and Thrive—these are movements against the arbitrariness of the banks and monopolies, i.e., against the contemporary world order. The movements, Zeitgeist and Thrive, have brilliant criticism on the now existing World Bank system, but they have no idea how to change it and what to replace it with! They give a vision of a wonderful future world, but the way to reach it is sheer utopia! These two movements do not suggest any practically possible solution and the contemporary world order remains as if forever! In this

connection, The Rebellion of the Indignant was the new global outcry, which wished a New World Order in reply to that imposed by George H. W. Bush's circles of a serial imperialist New World Order after the crash of the "communist" system! But today, a quarter of a century later, people all over the world are desperately looking for the Exodus again! And just here, in the heart of the problem, I propound to the audience, my work for a FULL solution of the problem, the problem being CAPITALISM! It's clear to me that only Marx's socialism could settle this New World Order! The only possible way to lead us to this order (and to the future) is through science, and this science is Marxism!

So, what does this work represent?

It is a book of Marxism. It suggests a New World Order of social equality and social justice. But along with that, it is also a political and economic dissection of the ex-society in all of East Europe by the lancet of Marx! It is an analysis from inside—an analysis made on the reality of my country, Bulgaria, the most devoted satellite of the ex-Soviet Union and its nearly full copy of political and economic systems.

The former name of this book was *Socialism—Lie of the Century or Century of the Lie*. It was topical to the end of the bygone twentieth century, but the new conditions force new steps. This is why for the US audience I did a new editing and new title of the book.

This work of mine is divided into two autonomous books.

The first book, *The State*, represents a radically new political system of the society, which is the most democratic system ever possible! This is completely new society, a real civil society, which otherwise in the capitalist system is only a utopia!

The second book, *The Economic Theory of Socialism*, is a sequel, and as far as I know, the only sequel of the greatest work by Marx—*Capital*! The economics of socialism makes Marx's socialism already completely possible. That's why, this very fact should provoke the curiosity of the readers, I hope.

This third edition was also processed and much expanded concerning the previous two and was prepared in its English version for three whole years. I hope it was worth the endeavors.

As it turns out, American people are increasingly interested in socialism! "Socialism" was the most looked-up word of 2015 on Merriam-Webster! It will be the most looked-up word in every next year, too! That is why, nowadays, a pressing need for Marxism is already

Socialism Is Dead! Long Live Socialism!

felt everywhere! Let us return Marx to the studies and among the multitude! Let us return Marx among the scientists and among the workers! Return Marx—the greatest scientist of the second millennium!

- **Todor Bombov**

Preface to the First Edition

Dear reader,

The book, *Socialism—Lie of the Century or Century of the Lie*, was written about four or five years after 1985 and completed in February to March 1990. That is why, it has been written in the present tense—to be a criticism of the regime that existed until recently, and under another title—*What Is Socialism and Does It Have Any Ground at Our Side?* However, unfortunately, it could not be published for three years, which forced the author to enter some changes—passing it into past tense and canceling some out-of-date texts. No good words may be said about a democracy which, due to various reasons (and ways), does not admit another, different viewpoint both regarding totalitarianism and democracy.

The purpose of the book is to represent the historical truth about Marxism, explaining in this way the nature of the “socialist” system that existed until recently.

Under the common title of this work, the two books are actually put together.

In book one—*The State*—I scrutinize the principles of scientific socialism, i.e., all of those principles of Marxism concerning the state that build socialism as a political system. These are principles that have been rudely crushed and “forgotten” from Lenin’s death to our days.

The book reveals the scientific untenable nature of the so-called “people’s state”—the touchstone of the real acknowledgment of Marxism. Marx, Engels, and Lenin had always been the most irreconcilable opponents of the “people’s state” whose petty bourgeois ideology was due to Lassalle and Proudhon, but not to the communist prime teachers.

In book two—*Theory of Wage*—I scrutinize the economic laws that build socialism as a more effective economic system than capitalism. These laws are extracted from Marx’s main work –*Capital*. Such a production process is possible, in which the wage as a social relation represents a self-expanding value. This, on its part, does not allow the

phenomenon of inflation to exist. This production process represents a repeating Carnot's cycle, which, on its part, allows social property of the means of production to be established that has been considered absurdity under the commodity production; to reject the exploitation and the unemployment in society, as well as to point out what is social equality and social justice with their concrete, but not abstract meaning.

The commodity of labor power is scrutinized—when and how it ceases being a commodity under socialism. The act of wage leveling is scrutinized, too—immanent not to socialism, but to equalitarian capitalism. Besides that, the subject matter of rent and of land under social property is examined. The book ends with the withering away of the commodity—according to its two conditions—and the transition from commodity to non-commodity, communist production relations.

- Todor Bombov

Preface to the Second Edition

Dear reader,

The book, *Socialism—Lie of the Century or Century of the Lie*, was written with big interruptions. The first ideas and flashes date from 1982, but the first summarized assembly into an integrated, orderly built system was made in the winters of 1988/89 and 1989/90. That is why it was written under another title—*What Is Socialism and Does It Have Any Ground at Our Side?* Dimitar Blagoev's title was not borrowed occasionally, nor was it a freak, but it expressed in the most exact way the content of the book if it would have been printed until 1990. Unfortunately, this was not made until 1993 when its first edition appeared. My publishing woes were not able to stop the creative writing process and finally, the book became a real fact, in spite of its modest printing and marketing. Therefore, this first edition became the skeleton around which the wholly revised and completed book was built later with its two autonomous parts; especially in the economic theory where three new chapters were added and there was a range of changes and additions to the other ones. This process of remaking the first edition and the preparation of a new edition of this work began mainly in the beginning of 1997 and went on until and including the year 2000. I consider that all disparities and mistakes in the first edition were removed, even in details.

I admit that the book, *The Socialism*, will be more accessible in its first part for a wider range of readers while reading the second one will need some preliminary theoretical preparation—general (macro-economics) and special (after *Capital* of Marx). The special preparation is particularly needed.

- **Todor Bombov**

“The classics should not only be respected but, from time to time, a bit perused.”¹

It was said—the scientists in the world are many, but the clever men are few.

Nowadays, a real invasion of heads of science has appeared, and they have forgotten “that socialism, having become a science, demands the same treatment as every other science—it must be studied.”²

The trouble, however, comes not so much that it was “applied” without being studied, but rather from being studied with the purpose of not applied.

¹ Emile Korotki, *Fragments by the Unwritten*, 18

² Friedrich Engels, *The Peasant War in Germany*, 4:26

BOOK ONE

The State

Principles of Scientific Socialism

Chapter One

Origin and Nature of State

As the basic question of philosophy is the question of being-consciousness correlation, so the basic question in scientific socialism is that one about the state. Since its very beginning, battles have been carried on for the state using both weapon and criticism, both gunpowder and pen.

About one hundred thousand years ago on earth, there appeared a new qualitative state of the animate nature; a new form of organization and of movement of matter, quite unknown until those times appeared—the social form. **Society** appeared whose constructive unit was the separate man, the individual. The same way that substances crystallize in given conditions, i.e., it is “more profitable,” or “more useful” for molecules to be bound in a crystal lattice rather than to exist “alone for themselves,” under determined conditions, primitive men understood that it would be more advantageous to be bound into a kind of “crystal lattice”—the society. Just the society transmuted the monkey into a human by imposing labor to him, which developed his mental activity, his “Capacity to Judge.” So, the adaptation of the individual to live within a society was a great step ahead of the development of the animate nature. Only society enabled species to communicate at a higher level through speech, which precisely forwarded, along with releasing the arms, the transformation of the livelihood activity into labor activity. Labor is an expedient activity of the human just because it is applied in a society. Labor outside of society is unthinkable. Indeed, Robinson Crusoe survived by his labor alone, but it was only because, before that, he was accustomed to work within the society. This is why a man placed early under inhuman conditions, say out of, or isolated from society, usually goes back to his primitive state, to his animal appearance and instincts (Kaspar Hauser, Rudyard Kipling’s Mowgli, etc.).

Man’s brain, which is the source of his conscious activity, can be developed only in one continuous flow of information with the exchange and processing of this information. And that is possible only within the

combined work, i.e., work within society. During the continuous mingling with its like animal, the monkey's brain develops while fighting to survive, until arriving at the joint man.

From its first appearance to our days, society has been unceasingly developed thanks to the different abilities of each one of its members. Each man is strictly individual, single, and unique by its possibilities—physical and intellectual, as well as by its necessities—material and spiritual. The possibilities represent that whole amount of intellectual and physical energy, emanated by a given social unit—man, group, society—which is applied as a purposeful activity, i.e., as a labor. The possibilities are an aggregate of all the physical and intellectual forces of this unit spent during the process of its reproduction. While the necessities yet, as Marx says, are a historical product, they are such a material and spiritual indispensability, which is already realized by this same social unit. That is why freedom is also a necessity, even a higher necessity!

The necessities are immanent to the human only, but not “any living being's property,”³ as a contemporary theory had taught us. They are not a property, but a quality. Furthermore, they do not relate to any living being, but to the human only and to his society. Such a property is the need—this is just the need, which is related to any living being.

There are multiple reasons, but mostly the need expressed in the fight for existence and survival have been the main reasons, which have forced particular individuals to form a society. The possibilities of the individual prove to be insufficient to satisfy his own unceasingly growing necessities. That is why, in order to satisfy the necessities of each individual, it necessitated the use of the possibilities of the society. Society may be developed without the possibilities of some individuals, but no individual may be developed without the possibilities of the society. This means that the individual depends on society and he must be subordinated to that society. This individual's subordination originates the question about the liberty of this individual with its concomitant dependence on the society. A question is known to us in the newer times as human liberty and rights—when and how may the particular person be free and may his or her liberty be compatible with the liberty of all the others?

The answer to these questions cannot be found if society is not

³. Andrei G. Zdravomyslov, *Necessities, Interests, Values*, 18 .

considered along its development—when and why the monolithic entity of the society became divided into hostile camps and how long it will be divided in this way.

The entire vital activity of the individual as well as of society represents an unceasing satisfaction of various necessities with the purpose to grow given possibilities. Some necessities remain permanent over the course of time while others change according to the level of society's possibilities at any given moment. So, in order to evaluate the real quantity of these necessities, they should be contrasted to their opposites—the possibilities. There is a mutual connection between possibilities and necessities, individual and social; they are narrowly interlaced. The possibilities determine the level of the necessities, but in their turn, necessities influence the development of possibilities, too. In an antagonistic world, possibilities are not always necessary, and necessities are not always possible!

Taken as a whole unit, possibilities and necessities frame the **interests**. These interests are halfway considered now—being related to the necessities only, i.e., identified with them solely. In fact, the interest is a necessity with a deprived possibility. Interest is the possibility to satisfy one's own necessity through the satisfaction of another's necessity, which is deprived of such possibility. Interests have always been and will always be “the economic relations of a given society,”⁴ which governs this society—relations between the possibilities and the necessities within it.

In a certain stage of the development of society, in the contradictions and fights between possibilities and necessities, this leads to **social inequality**.

What is the reason for this and how did it arrive?

It's an economic reason, i.e., sheer material—as a “result of altered relations of production and exchange, in the interest of increased production and in furtherance of intercourse.”⁵

Thanks to the intensifying division of labor, generating growth of the possibilities of the productive forces, more and more products meant for the satisfaction of the necessities of the tribal society are produced for **exchange** and less for personal use of the individual. In the tribal society, “the gentile constitution was finished. It had been shattered by

⁴. Karl Marx, *Capital*, 1:781

⁵. Friedrich Engels, *Anti-Dühring*, 8:183.

the division of labor and its result, the cleavage of society into classes. It was replaced by the *state*.”⁶ Still, Plato wrote about the division of labor and the origin of the exchange, and on their basis, the origin of the state. “A State,” Socrates says, “arises, as I conceive, out of the needs of mankind; no one is self-sufficing, but all of us have many wants. Can any other origin of a State be imagined?”

“There can I be no other,”⁷ answers Adeimantus.

This was barely with the participation of the individual in the social division of labor, which appears “caused by differences of sex and age”⁸ that the different possibilities of different individuals start to get distinguished as a natural difference or a natural inequality. The division of labor is the basis of their manifestation. “It is, therefore, the law of division of labor that lies at the basis of the division into classes.”⁹

The changed conditions of production and the originated on this basis exchange in the tribal society gradually decomposed this society and it formed different layers—an unimportant part became dominating over the other enormous mass not by another thing, but by its better ability to satisfy necessities. This quantitative difference of possessions has led to a qualitative difference of property—it was transformed into **private**! When the equilibrium between the social possibilities and the individual necessities was broken and degenerated into a conflict, then the entity of society was broken, too. Society was divided into groups having different social interests. Already the social interests entered into contradiction with the individual ones and vice versa.

When the possibilities of the society are in harmony with the necessities of the individual and vice versa, then we can speak of social equality, regardless of the extant natural inequality in the possibilities of the individual. Natural inequality in the possibilities has led to a **social inequality** in the necessities! Or, if the natural inequality represents inequality in realizing the possibilities, the social inequality is inequality in satisfaction of the necessities, i.e., if the natural inequality is innate, the social inequality is acquired.

Social inequality—this is the estate inequality within the society,

⁶ Friedrich Engels, *The Origin of the Family, Private Property and the State*, 5:176.

⁷ Plato, *The Republic*, 67

⁸ Marx, *Capital*, 1:393

⁹ Friedrich Engels, *Socialism: Utopian and Scientific*, 1:147

when any unimportant part of it, thanks to its dominant position towards the means of production, in satisfaction of its necessities, dominates with its property status over the other underlying parts, whose status is a result of the realization not so much of its own individual possibilities, but mostly of the social ones. Social inequality arises in an elemental, unconscious way, “based ... on voluntariness and custom”¹⁰, like a blind homage of the authority. The existence of private property is the economic basis of the existence of social inequality. In other words, social inequality is an indicator of the existence of private property, which “by no means makes its appearance in history as the result of robbery or force.”¹¹ We cannot still speak about force, here. Force comes later when the utilization of another’s labor is done already in a conscious, premeditated, purposeful way, when another’s labor commences to be appropriated, i.e., when the social inequality develops into **social injustice**.

Of course, during the centuries, justice was always a rather elastic term, but always until now and “everywhere there is one principle of justice, which is the interest of the stronger.”¹² First, if we actually consider justice as dressed in a black legal toga only, then much of justice is abstract and hazy. But it obtains a quite concrete and clear appearance when it is landed to its economic nature, i.e., when it refers to the **labor**.

And second, when justice refers not so much to the separate individual’s labor, but rather to large social groups’ labor, i.e., we speak not of individual justice, but of social justice. I cannot give another name, but social injustice, to indicate the appropriation of another’s labor of large groups of people by an organized minority via the conscious and systematic activity of plundering called exploitation.

Social injustice represents an infringement of the social distribution of the products of labor, received when the possibilities of the entire society are consciously used to satisfy the necessities of an unimportant part of it. There is injustice in the distribution processes only as a result of extant already social inequality. Social injustice appears when the common individual interests are differentiated as disparate social interests.

¹⁰. Engels, *Anti-Dühring*, 8:183.

¹¹. Ibid.

¹². Plato, *The Republic*, 25.

The exchange transformed the products into commodities, which, in their turn, imposed the need for a universal commodity—money. And if commodity created the social inequality and private property, money created **the power!** The law comes with the exchange, the same way the appetite comes while eating. In order to be established as a normal social system, private property legalized social injustice through the **force**, i.e., the power was constituted in a special machinery of compulsion with interior functions—for repressions, and exterior functions—for armed intervention. In this manner, the social groups, resulting from the estate differentiation, accepted the name of **classes**, and the shell locking them up in the joint for life was called a **State**.

So, if social inequality is an expression of private property, social injustice and force are respectively a synthetic expression of the state. Social injustice in the distribution processes is a result of the exchange, having been imposed in the society through private property. That's why the state is a reflection of the exchange. There is a state only where and when the exchange is extant. There cannot be an exchange without its legislative regulation by the state. As for it, the state cannot function without commodity and money, i.e., without the exchange, simply because any force is measured and paid out with gold. Force, says Marx, "is itself an economic power."¹³

The force within the state is manifested with the power of one class over the entire society, whose power results from its dominating position in the production. The state was always represented not by all constitutive classes, but by only one—that one which was in power. Yet, in order to be in power, this class carries out injustice and violence against its subordinate classes. Injustice and violence are both features determining the state because all phenomena of the social life in it are finally reduced to them.

The state is a power of one class, which, based on its dominating position in the production carries out an unjust social distribution of the products of labor by using violence.

State's power represents "the concentrated and organized social force"¹⁴. Until nowadays, the state has always been the animal-trainer who formed public opinion by cracking a whip. Every state exists only through injustice and force, and vice versa, injustice and force in the society can exist only within the state. The state exists just because

¹³. Marx, *Capital*, 1:819.

¹⁴. *Ibid.*, 693

injustice and force exist in the society, i.e., the state is their protective cover. As Lenin writes, the state exists because of the irreconcilability of the contradictions between the classes from which it is constituted. The state exists just because these contradictions are irreconcilable and lead to injustice and force.

The possibilities of every individual are, by their nature related to the necessities for their satisfaction. This situation, however, changes with the intervention of the state—the possibilities are separated, detached from the necessities of a significant part of the society, which is subordinated to other class interests. Then, many necessities become impossible as well as many possibilities become unnecessary. The antagonistic state oppresses the other class interests in a way that the oppressed cannot use the full possibilities but only minimum possibilities of the society. Such a state restricts the possibilities and denatures the necessities for its own profit and according to its own model.

Every class carries out its power only by force, by dictate, no matter that the form of doing this is rough or soft (through “the stick or carrot”). However, this class calls its own dictate and represents it in the whole society as a democracy. That’s why any class state proves to be a democracy of that class, i.e., the **class** democracy represents the **contents** of the state. A few such types of the state have been known until now, according to the mode of production: a slave-owning democracy—in the slave-owning state; a democracy of the landed aristocracy—in the feudal state; a democracy of the bourgeois—in the capitalist state. That’s why the democracy of the working class represents the contents of the socialist state.

Just the class division of society creates two different, two parallel worlds/antipodes in this very society. And this means yet two polar models of behavior in the political life of the society—the democracy of the rich class is, in fact, a dictatorship for the poor one! In other words, the state is not of people and democracy is not for all.

However, these are elementary to the point of being naïve, and childishly simple truths are not acceptable for this caste, whichever was called opportunism. Since their appearance, until reaching today’s higher phase, the representatives of this confraternity have always dreamed of their so-called “people’s state,” i.e., a state of the entire people and a common democracy for the entire people. According to Marxism, democracy is not and cannot be common to the entire people; it can be a class democracy only.

Todor Bombov

It is our duty to remind the wide audience of the authentic Marxism, i.e., Marx's truth about society.

So, now the matter is, according to the *science* of Marxism, what is a socialist state and what is its nature?