

SPECIAL HOLIDAY SUPPLEMENT TO "THE COMMUNIST"

AFTER FIVE YEARS:

The Russian Revolution and Prospects of World Revolution

speeches by

LENIN and TROTSKY

at the Fourth Congress of the Communist International

As a special Christmas box to our readers we give this supplement composed of two speeches, by Lenin and Trotsky respectively, which will be of permanent value.

Lenin's exposition of the practical problems arising from the Russian Revolution and the survey of world prospects by Trotsky will be found not only to refute all their critics but to include matter worthy of careful thought by every worker in Western Europe.

To make these speeches as widely known as they deserve to be we give them here in full. Readers will, we are confident, aid us in giving them the publicity they deserve.

The New Economic Policy — why it was adopted and how it has acted

By N. LENIN

COMRADES—

I was put down as principal speaker on the list, but you will understand that after my prolonged illness I am not in a position to make a lengthy report. My remarks will have to be quite brief. The theme of "Five Years of the Russian Revolution and the Perspectives of World Revolution" is altogether too comprehensive and too big for one speaker to exhaust in one speech.

I will therefore speak on the subject of how we started the New Economic Policy and what results we have achieved by it. By confining myself to this question I hope to be in a position to give you a general survey and a general conception of the subject.

To begin the story, I must recall to you an article written by me in 1918. In discussing the question of how we would have to tackle the problem of State Capitalism, I wrote:—

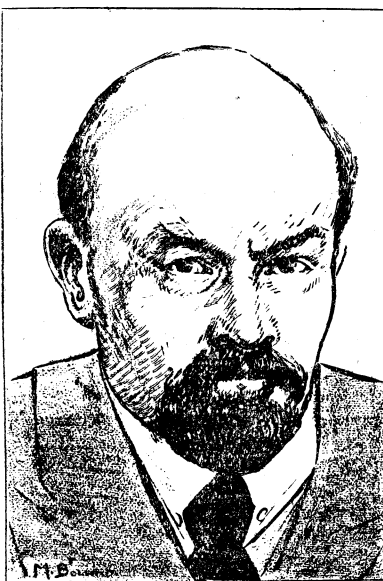
"Compared with the present economic policy of the Soviet Republic—i.e., the economic situation of that time, State Capitalism represents a step forward. If we could, for instance, introduce State Capitalism here in the course of half a year, it would be a tremendous success and the best guarantee that within a year socialism will be strong and invincible in this country."

This was said at a time, of course, when we were much more foolish than now, but not so foolish as to be unable to tackle such problems.

In a word, in 1918 I was of the opinion that State Capitalism represented a step forward in comparison with the economic situation of the Soviet Republic at the time.

This sounds rather strange, and perhaps contradictory, for at that time our Republic was a Socialist Republic. At that time we carried out day by day, in rapid succession—perhaps in far too rapid

succession—all kinds of new economic measures which we could not term otherwise than socialistic. And yet I declared at that time that State Capitalism would be a step forward compared with the then prevailing situation of the Soviet Republic.



LENIN

Specially drawn for The Communist

I found it necessary to illustrate my point by enumerating the elements of the economic structure of Russia. These elements I represented as follows: (1) A patriarchal, that is an exceedingly primitive system of land tenure. (2) Petty production of commodities. To this group belonged the majority of the peasants who deal in grain. (3) Private capitalism. (4) State Capitalism. (5) Socialism. All these economic elements were represented in Russia at that time.

I took the trouble of explaining the co-relation between these elements, suggesting that we might perhaps put a higher value on the non-socialist element, namely, on State Capitalism, than on socialism. I repeat that it sounds rather strange to declare a non-socialist element of greater value than socialism in a Republic which had declared itself socialist. But it becomes quite conceivable, if we bear in mind that the economic situation in Russia

at that time could by no means be considered as uniform and of high standing. On the contrary we were quite aware of the fact that in Russia we had a patriarchal system of agriculture, and parallel with it a socialist form of agriculture. What part was State capitalism to play under those circumstances? And I promptly replied, State capitalism, although not a socialist form, would be more favourable for us and for Russia than the present form.

State Capitalism

What did it mean? It means that we do not over-estimate the basis and structure of socialist economy, although we have already accomplished the social revolution. Even at that time we had, to a certain degree, come to the conclusion that it would be better for us to establish first State Capitalism and through it to march on to socialism.

I must lay particular stress on this, for I believe that in the first place it explains the essence of the present economic policy, and in the second place, it demonstrates the very important practical consequences which the Communist International might draw.

I do not mean that we at that time had already a fully conceived plan of retreat. Far from it. These few lines of polemics by no means represent a plan of retreat. Not a word, for instance, is mentioned about the freedom of commerce—an important point of fundamental significance to State Capitalism.

But there was a general vague idea of retreat. And I believe that also we, as a Communist International—and not only Russia, a country that was and has remained backward in its economic structure—must take that into consideration, particularly the comrades in the advanced countries of Western Europe.

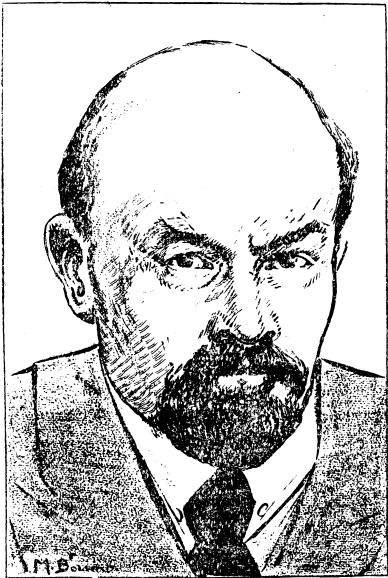
Just now, for instance, we are busy with the construction of a programme. I for one believe that it would be the wisest action on our part if we discuss all these programmes in a general way, if we take something like a first reading of them and have them all printed, but not in order to have the programme finally established this year.

The Idea of Retreat

Why? First of all, because I think that we have hardly examined them all. Secondly, because we have as yet given almost no consideration to the idea of the retreat—of making our retreat secure.

Yet this is a question which merits our utmost attention in dealing with so great a world change as the overthrow of capitalism and the building up of the socialist system.

It is not enough for us to be conscious of how we are to assume the offensive in order to be vic-



LENIN

Specially drawn for *The Communist*

Five Years of Russian Revolution

torious. In revolutionary times this is not at all difficult. In the course of the revolution there will always be moments when the enemy loses his head. If we attack him at such moments, we may score an easy victory.

But such a victory would not be decisive. The enemy, after calm consideration, after due concentration of his forces, etc., may very easily provoke us into a premature attack in order to throw us back for many years to come. I therefore think the idea of preparing for the emergency of a retreat to be of supreme importance, and that not only from the theoretical standpoint.

From a practical standpoint also all the parties that are contemplating an offensive against capitalism in the near future, should right now think of how to make the retreat secure.

I believe that this lesson, in conjunction with all the other lessons of our revolution, will surely do us no harm and most probably a vast amount of good in many instances.

Why the New Economic Policy

Having thus emphasised that already in 1918 we considered State Capitalism as a possible way of retreat, I will pass to a review of the results of our New Economic Policy.

I repeat at that time it was still a very vague idea. Yet in 1921, after having emerged victoriously from the most important stages of the civil war, Soviet Russia came face to face with a great—I believe the greatest—internal political crisis which caused disaffection not only of the huge masses of the peasantry, but also of large numbers of workers.

It was the first, and I hope the last, time in the history of Soviet Russia that we had the great masses of the peasantry arrayed against us, not consciously, but instinctively, as a sort of political mood.

What was the cause of this unique, and for us, naturally disagreeable situation? It was caused by the fact that we had gone too far with our economic measures, that we had not made our base secure, that the masses were already sensing what we had not yet properly formulated although we had to acknowledge it a few weeks afterwards, namely, that the direct transition to pure socialist economy, to pure socialistic distribution of wealth, was far beyond our resources; and that if we could not make a successful and timely retreat, if we could not confine ourselves to easier tasks, we would go under.

I believe that the crisis set in in February, 1921. Already in the spring of that year we unanimously resolved—we had no considerable differences on that score—to pass to the New Economic Policy. To-day, after a lapse of a year and a half, at the end of 1922, we are in a position to draw comparisons.

Has It Succeeded?

What are the results? Has the retreat benefited and really saved us, or has it failed, leaving the results indefinite? This is the principal question I put to myself, and I believe that this question is also of supreme importance to all the Communist Parties, because if the answer should be in the negative, then we shall all go under.

I believe that we can in good conscience give the answer in the affirmative—in the sense that in the course of eighteen months we have positively and absolutely demonstrated that we have successfully passed the examination.

This I am now going to prove.

First of all let me take up the system of finances and the famous Russian rouble. I believe the Russian rouble may justly be called famous, if only for the fact that its number has already gone beyond the quadrillion. (Laughter). This is something to start with. This is quite an astronomical figure. (Laughter). I am sure you do not even realise what that figure means. But really from the standpoint of economic science these figures of the rouble are not important, for one can always strike off the noughts. (Laughter). We have already done something towards the solution of this economic puzzle, and I am convinced that as we go along we will achieve even more in this peculiar art.

The really important thing is the question of stabilising the exchange rate of the rouble. For this we are working and applying our utmost efforts, and to this task we attach decisive importance. If we succeed in stabilising the rouble for any length of time, and subsequently stabilising it, then we have won.

These astronomical figures, these trillions and quadrillions will then be of no consequence. We can then put our economy upon a firm foundation and go on with its further development.

The Currency is Stabilising

In regard to this question I believe that I am in a position to submit to you some fairly important and decisive facts. In the year 1921 the period of stabilisation of the paper rouble lasted less than three months; in 1922, although it has not yet closed, the same period has already lasted over five months. I believe this to be sufficient for the moment.

Of course, it is not enough if you wish to determine beforehand the ultimate solution of the task in all its details. But that, in my opinion, is well nigh impossible. The fact just mentioned goes to show that we have made progress since last year, when we started with our new economic policy. If we assimilated this lesson, and if, as I hope, we will not commit the folly of ignoring future lessons, then we are bound to make further progress.

The essential thing is commerce, our greatest need is the circulation of commodities. The fact that in the course of two years (although still in a state of war—Vladivostok has been retaken but a week or so—although just beginning our systematic economic activity) we nevertheless succeeded in lengthening the period of the stabilisation of the paper rouble from three months to five, in my opinion gives us sufficient reason to be gratified.

More than Capitalism can Do

We stand alone. We did not and do not get any loans. We get no assistance whatever from the mighty capitalistic states which have been carrying on their capitalistic economy so “well” that even now they do not know whither they are going.

In consequence of the Peace of Versailles they have created a financial system of which they themselves cannot make head or tail. If the great capitalistic states are managing things in such a manner, then I do believe that we, the backward, the uneducated, may congratulate ourselves on having conceived the all-important question of the stabilisation of the rouble.

This is not demonstrated by any theoretical analysis, but by actual practice, and I think this is more important than all the theoretic discussions in the world.

Practice has shown that we have achieved something decisive, namely, by moving our economy in the direction of the stabilisation of the rouble, and this is of the highest importance for our commerce, for the free circulation of commodities, for the peasantry, and for the great mass of petty producers.

The Peasant's Time of Trial

I now turn to our social aims. The most important, of course, are the peasantry. In 1921 we were confronted with the discontent of a large mass of the peasants. Next we had the famine, which meant the severest trials for the peasantry.

All the bourgeoisie abroad were naturally jubilant. “This is the outcome of socialistic economy,” they said. Of course, they kept quiet about the fact that the famine was the terrible result of the civil war.

All the landowners and the bourgeoisie who had attacked us in 1918, tried to misrepresent the situation as though the famine was the result of socialistic economy. It was certainly a grave and a great calamity, a calamity which almost destroyed all our work of revolution and organisation.

What is the situation now, after this unusual and unexpected calamity, after we have introduced the new economic policy, after we have given to the peasants the freedom of trade?

Prosperity has Followed

The answer stands out clearly (to all who wish to see), namely, that

the peasants have managed, in the course of one year, not only to do away with the famine, but also to pay their taxes in kind so well that already we have hundreds of millions of goods, and that almost entirely without the application of force.

The peasants are content with their present position. This we can claim with satisfaction. We believe such proof to be far more important than any statistical data.

Nobody questions the fact that the peasants are the decisive factor in this country; and it is the peasants that are now in such a condition that we need fear no hostile movement from those quarters.

We say this without the slightest fear of exaggeration. This has already been achieved.

The peasantry may be dissatisfied with us in one respect or another. It may complain—that is natural and inevitable—of the inefficiency of our State machinery and management, but any serious discontent on the part of the entire peasantry is absolutely out of the question.

This we have achieved in one year, and I believe it to be a great deal indeed.

Revival in Light Industries

I now come to the light industries. We should distinguish between the light industries and the heavy industries, because these two kinds of industry are not in one and the same condition. With regard to the light industries. I can safely declare: here we have an all-round revival of production.

I am not going into details. It is not my business to-day to quote statistics. But the general impression is based upon actual facts, and I can vouch that there is no untruth and no inexactitude behind it.

We have to record a general revival of the light industries and the consequent improvement of the lot of the worker in Petrograd as well as in Moscow.

It is less the case in other districts, where heavy industries predominate, so that this fact should not be generalised. Nevertheless I repeat: The light industries show an absolute revival, and an improvement of the lot of the worker in Petrograd and Moscow is the result of it.

In both these cities the workers were discontented in the spring of 1921. All that discontent has completely vanished now. We who watch the position and the mood of the workers day by day can make no mistake on that score.

Heavy Industry Still a Problem

Now as to the heavy industries. Here I must say that the situation is still difficult. Nevertheless, some small improvement has taken place between 1921 and 1922. This entitles us to the hope of improvement in the near future.

The means to that end we partly possess already. In a capitalist country the improvement of the situation of the heavy industries would absolutely necessitate the borrowing of hundreds of millions, without which no improvement could be thought of. The economic history of capitalist countries tells us that the upbuilding of heavy industries in a backward country can be accomplished only by means of long-term loans of hundreds of millions of dollars or gold roubles. So far we have received no loan of this kind. All that has been written so far about concessions and such like remains almost entirely on paper.

Much has been written about these things lately, particularly about the Urquhart concession. Nevertheless, it seems to me that our concession policy is an excellent one. At the same time it ought to be taken into consideration that we have not yet arranged for any real big concession. Hence the situation of the heavy industries is for our backward country a really very difficult question, since we cannot count on any loans from the wealthy states.

Steady Improvement—if Slight

In spite of all this, we see perceptible improvement. We also find that our trading activity has already brought us some capital. This also is of rather modest dimensions, amounting to no more than twenty million gold roubles, but a start has been made. Our trading yields us the means which we can apply to the upbuilding of the heavy industries.

At the present moment, however, our heavy industries are still in a very difficult position. But I believe that we can already afford to spare something for this purpose, and this we will continue to do even if we have to do it at times at the expense of the population.

We must be thrifty now. We are endeavouring to cut down State expenditure by curtailing the machinery of the State. As to that I will say a few words later on. At all events we must diminish State expenditure, and affect economy as far as possible. Thus we are saving on everything, even on schools.

This has to be done, because we know that without the saving and reconstruction of the heavy industries we cannot hope to upbuild any industry, and without them we cannot hope to exist as a self-sustaining country. This we know quite well. The salvation of Russia lies not only in a good harvest for her peasantry, nor in the good condition of light industries which cater for the requirements of the peasantry, but we need also the heavy industries. But the reconstruction of the heavy industries will require the work of many years.

The Means to Hand

Heavy industry requires subsidies from the State. Unless we have them, then, merely as a civilised country (to say nothing of a socialist country) we are foredoomed to perish.

In this matter we have now taken the decisive step. We have obtained the means requisite for putting heavy industry upon its own feet. The sum that we have hitherto obtained is, indeed, less than

Prospects of World Revolution

20 million gold roubles—but we have it. It will be definitely applied to raising the level of our heavy industry.

I think that I have now presented to you, in general terms and cursorily, as I announced, the most important elements of our economic system. I believe that enough has been said to enable us to draw the conclusion that the new economic policy has already shown something to the credit side of the account.

We have proof now that as a State we are able to trade, to safeguard the strongholds of agriculture and industry, and to advance steadily forward. Our practice has proved this.

Peasants and Whites

We still have a lot to learn—and we know that we have a lot to learn. We have retained power for five years, and for the whole of those five years we have been at war. Thus we have made a success of things.

This is comprehensible, because the peasants have been on our side. It would have been hard for us to find more zealous supporters than the peasants. Behind the figure of the guard they saw that of the landowner looming, and they hate the landowners more than anything in the world. That is why they were so enthusiastic as supporters; that is why they were so faithful to our cause.

It was not difficult to secure that the peasants should defend us against the Whites. The peasants, who had hated war, were now in favour of the war against the Whites, did everything conceivable to support the civil war against the landowners.

Nor was this all, for this merely involved the question whether the power was to be in the hands of the landowners or of the peasants. That was not enough for us. The peasants realise that we have seized power on behalf of the workers, and that our aim is to upbuild the socialist order with the aid of this power.

Preparing the Socialist Economy

Herein consisted the most important question for us, the economic preparation of the socialist economy. We could not prepare this in direct fashion, but we had to do it indirectly.

The State capitalism we have established is a peculiar form of State capitalism. It does not correspond to the ordinary conception of State Capitalism. We have all authority in our hands; we have the land, which belongs to the State.

This is of immense importance, although our opponents are apt to declare, falsely, that it is of no importance at all. From the economic outlook, the ownership of the land by the State is of great importance.

We have achieved this, and I must emphasise that our further activities must lie within this framework. We have already ensured that the peasants are satisfied with us, and that industry and commerce are on the upgrade.

I have already pointed out that our State capitalism is distinguished from State capitalism in the literal sense of the term, inasmuch as we not only have all the land in the hands of the Proletariat State, but also the important departments of industry. Above all, while we have farmed out a certain amount of small-scale and medium-scale industry, the rest of the industry remains in our hands.

Keeping Commerce Safe

Regarding commerce, I should like to insist upon the point that we are endeavouring to establish, and indeed have already established, mixed companies, that is to say, companies in which part of the capital belong to private (foreign) capitalists, while the rest belongs to us.

In the first place we learn in this way how to carry on commerce and retain the possibility of dissolving the company whenever we think it necessary, so that we may be said to incur practically no risk. But from the private capitalists we are learning, and we are seeing how we are to work our way upward and what mistakes we are making.

"Foolish Mistakes"

I should like to allude to a few minor points. It is beyond question that we have made an enormous number of foolish mistakes, and shall make plenty more. No one can possibly be a better judge of this than myself; no one can see it more clearly than I do. (Laughter).

Why did we commit these follies?

The reasons are plain. First, because Russia is a backward country; secondly, because it is almost uncultured; thirdly, because it has no helpers.

Not one of the civilised countries gives us any assistance. On the contrary, they are all working against us.

A Burdensome Legacy

A fourth reason is the nature of our State apparatus. One of our misfortunes was that we had to take over the old State apparatus. The State apparatus often works against us. It is a matter of history that in the year 1917, when we had seized power, the State apparatus practiced sabotage against us. We were greatly alarmed, and said: "Please come back to us"—and they all came back. That was our misfortune. We have now an enormous mass of officials, but we still lack a sufficient quantity of trained energies to keep them under proper control.

In actual practice we often find that here at the top, where we exercise the powers of State, the apparatus works all right, whereas lower down the officials do as they please, and what they please to do is to work against our measures.

At the top we have a few—I do not know the exact number—I am sure it is only a few thousand, or at a maximum a few ten thousands—of our people; in the lower grades we have hundreds of thousands of officials bequeathed to us from Czarist days or taken over by us from capitalist society. To some extent deliberately, and to some extent unconsciously, they work against us.

"Work for Years"

It is perfectly clear that we can do nothing to remedy this in any brief period. We shall have to work for years in order to modify and perfect the apparatus, and in order to attract new energies.

We are doing this at a fairly rapid pace, perhaps too rapidly. We have founded Soviet schools: workers' faculties have been established in the universities; several hundred thousand young persons are learning, perhaps too quickly. But anyhow, the work has begun, and I think it will bear fruit. If we do not try to go too fast, then in a few years we shall have a mass of young people who will be in a position to modify the whole apparatus fundamentally.

"Two Plus Two Equals"—What?

I have said that we have committed a large number of follies. But I must in this connection say something concerning our opponents. When these read us a lecture, saying: "Lenin himself recognises that the Bolsheviks have committed an enormous number of follies," I should like to answer them thus: "But you ought to know that our follies are of an essentially different kind from yours. We have just begun to learn, and we are learning so systematically that we are satisfied with our progress. When our opponents, I mean the capitalists and the heroes of the 2nd International, insist that we have committed follies, I should like to make a comparison, modifying slightly the words of a celebrated Russian writer, so as to give them the following aspect: When the Bolsheviks commit follies, this amounts to saying that the Bolsheviks say $2 + 2$ equals 5; but when our opponents, i.e., the capitalists and the heroes of the 2nd International, commit follies, this amounts to saying that they declare $2 + 2$ equals a wax candle. That is not difficult to prove.

The Folly of the Allies

Take, for example, the Treaty with Koltchak, the Treaty between America, England, France and Japan. Are there more highly cultured and more powerful States in the world? What was the upshot? They had promised Koltchak to help him, without calculating, without thinking, without watching. This was a fiasco which hardly seems to be humanly credible.

Here is another example, an even more telling one, that of the Versailles Treaty. What have the victorious Powers done? How can they find any issue for the present confusion?

I do not think that I exaggerate when I repeat that our follies are as nothing in comparison with the follies committed by the capitalist States, the capitalist world, and the 2nd International in conjunction.

World Revolution Prospects

That is why I think that the prospects of the world revolution (this is a theme upon which I propose to touch briefly) are good, and in certain conditions are likely to become even better. It is upon these conditions that I propose to say a few words.

At the Third Congress of 1921, we adopted a resolution concerning the organisational upbuilding of the Communist Parties, and concerning the method and the substance of their work.

It was a good resolution. But the resolution is almost exclusively Russian: it was wholly derived for a study of Russian developments. That is the

good side of the resolution, but it is also the bad side.

It is the bad side of the resolution because hardly any foreigner (I have read the resolution over again before expressing my conviction) is able to read it. In the first place it is too long, for it contains 50 or more paragraphs. Foreigners are apt to find it impossible to read anything of this sort.

In the next place, even if a foreigner should manage to read it through, it is too Russian. I do not mean because it was written in the Russian language, for there are excellent translations into the various languages, but because it is permeated with the Russian spirit.

Thirdly, if by a rare chance, a foreigner could understand it, he could not possibly carry it out. That is the third defect.

I have talked matters over with some of the delegates, and I hope that in the later course of the Congress I shall find it possible (not at the Congress itself, for in that I am unfortunately not able to participate) to talk matters over in full detail with a larger number of delegates from various lands. My impression is that we made a great mistake in the matter of this resolution, thereby blocking our own advance.

Let me repeat, it is an excellent resolution. I myself endorse every one of its 50 or more paragraphs. But we did not really know what we were about when we turned to foreigners with our Russian experience.

Everything in the resolution has remained a dead letter. If we fail to understand why, we shall make no progress.

"Set Ourselves to School"

I think the most important for us all, Russians and foreigners alike, is that after five years of the Russian Revolution, we should set ourselves to school. Now for the first time we have the possibility of learning. I do not know how long the capitalist powers will give us the opportunity of learning in peace and quietude. But we must utilise every moment in which we are free from war, that we may learn, and learn from the bottom up.

The whole Party, and Russia at large, show by their hunger for culture that they are aware of this. The aspiration for culture proves that our most important task consists in this, to learn and to go on learning. But foreigners too, must learn, though not in the sense in which we have to learn, namely, to read, to write, and to understand what is read. This is our lack. There is much dispute as to whether such things belong to proletarian culture or to bourgeois culture. I leave the question open. This much is certain, that our first task must be to learn reading and writing and understanding what is read. In foreign lands this is no longer necessary.

Foreigners need something different. They need something higher. First of all they have to learn how to understand all that we have written about the organisational upbuilding of the Communist Parties, which they have subscribed without reading it, or without understanding it.

Not Done in a Day

You foreign comrades must make this your first duty. This resolution must be carried into effect: these things cannot be done between one day and the next; it is absolutely impossible. The resolution is too Russian; it is a reflection of Russian experience; that is why it cannot be understood by foreigners, and why foreigners are content to treat this resolution as a miraculous picture which they are to hang on the wall and to pray to.

That sort of attitude will not help us forward. You will have to make a portion of Russian experience your own.

How can it be done? I do not know. Perhaps the Fascists in Italy will do us a good turn by showing the Italians how, after all, they are not so highly cultured that the development of Black Hundreds in Italy has become impossible. This may have a good effect. We Russians must also look for means of explaining to foreigners the elements of this reason. Otherwise it will be absolutely impossible for them to carry it out.

Revolutionary Work

I am confident that in this sense (we have to say, not only for the Russians, but for foreigners as well), that the most important thing for us in the period now opening, is to learn. We Russians have to learn in the general sense. You have to learn in the special sense that you may gain a genuine understanding of the organisation, structure, method and substance of revolutionary work. If you do this, I am confident that the prospects for the world revolution are not merely favourable, but splendid.

(Loud and long-continued applause. A general acclamation, "Long Live Comrade Lenin.")

Five Years of Russian Revolution

Prospects of World Revolution

SPEECH BY LEON TROTSKY

COMRADES—

The conquest of political power is the chief political aim of every revolutionary Party. To use philosophical terminology, in the Second International this aim was a "regulative idea," which means an unsubstantial entity having little relation to practice. It is only within the last few years that in the intellectual sense, we have been learning to make the conquest of political power a practical aim.

The extent to which that aim has passed beyond the realm of philosophical regulative ideas, the extent to which it has become practical, is proved by the fact that in Russia on a definite date, November 7th, 1917, we, as a Communist Party leading the working class, conquered the political powers of the State.

As the course of events was to show, this did not signify the end of the civil war. On the contrary, it was not until after the conquest of political power that the civil war assumed extensive proportions.

This is a fact of not merely historical interest. It is one from which deductions can be drawn that may prove instructive to the Western European Parties and to the International at large.

Why was it that in Russia the civil war did not begin to rage with all its intensity until after November 7th, so that subsequently in the north, the south, the east, the west, we had to wage civil war for nearly five years without intermission?

The reason was that we had conquered power so easily.

Reserves of Counter-Revolution

It has often been said that we have overcome our possessing classes. Politically speaking, Russia had but just emerged from Czarist barbarism. The peasantry had no political experience; the petty bourgeoisie had very little. Thanks to the Dumas, etc., the middle bourgeoisie was somewhat better instructed in political matters; the nobility had organised its forces to some extent in the zemstvos, etc. Thus the great reserves of the counter-revolution—the rich peasants (for certain groups, the middle peasants as well), the middle bourgeoisie, the intellectuals, and the petty bourgeoisie as a whole—these reserves were practically intact.

As soon as the bourgeoisie began to understand what it had lost through the loss of political power, it endeavoured to mobilise the potential reserves of the counter-revolution, and naturally turned in the first instance to the nobility, to the army officers of noble birth, etc. Thus did it come to pass that the long-drawn-out civil war was the historical penalty for the ease with which we had conquered power.

West Europe's harder Task

All's well that ends well. We have been able to maintain power during these five years. But as far as the Western European Parties are concerned, as far as concerns the labour movement of the whole world, we can now decide with fair confidence that *the Communist Parties in other lands will have a far more difficult time of it before the conquest of power and a far easier time of it afterwards.*

In Germany all possible forces will be mobilised against the proletariat. It is almost superfluous to mention Italy, where to-day we see a complete revolution has been achieved.

Mussolini and his Fascists owe their present position of power to the fiasco of the Italian revolution—a revolution for which nothing was lacking, except a revolutionary party. That is why the Fascists have gained influence throughout the country, why they are seizing power, and why the bourgeoisie consents to this seizure. Mussolini represents the organisation of all the forces opposed to the revolution, plus many of the forces which are still to be won over to the side of the revolution.

Everywhere we see that the bourgeoisie, put on the alert by the Russian example, and by all the historical experience of the lands of capitalist democracy, is arming, organising, and mobilising everything that can be mobilised.

In the path of the Proletariat

This proves that all the before-mentioned forces now block the advance of the proletariat, and that,

in order to seize power, the proletariat, with the scanty means at its disposal, must neutralise, paralyse, fight, and conquer them.

But as soon as the proletariat has conquered power, the bourgeoisie will have no reserves left. After the conquest of power in Western Europe and elsewhere in the world, the proletariat will have far more elbow room for its creative work than we in Russia.

In Russia the civil war was something more than a military phenomenon! (The pacifists must forgive me for saying that it was a military phenomenon!)



LEON TROTSKY
Specially drawn for *The Communist*

Fundamentally it was a political phenomenon. It was the struggle for the political reserves, and in the main it was the struggle for the peasantry.

The proletariat won the game thanks to its determined tactics in the civil war, thanks to the logical and resolute revolutionary strategy which made the peasants understand that there was only one choice open to them—the choice between the nobility and the proletariat.

"Not by votes but by force of arms"

After long vacillation between the bourgeoisie, the democracy, and the proletariat, at the last moment, when no alternative remained, the peasants cast in their lot with the proletariat, defending it, not with democratic votes, but by force of arms.

The democratic parties, and also the socialist parties, have (I think you will have the same experience in Western Europe) always been the henchmen of the feudal counter-revolution.

You know, Comrades, that a few days ago our Red Army occupied Vladivostok. This occupation has made an end of the last of the fronts of the civil war.

Miliukov, the well-known leader of the Liberal party, writes of this in his Parisian journal a few lines which I may term classical. He sketches the rôle of the democratic party.

Democracy the cloak for Counter-Revolution

"This sad history—it always has been a sad history (laughter)—begins with the proclamation (the article is dated November 7th) of the unanimity of the anti-bolshevik front. Merkuloft, the chief of the counter-revolution in the Far East, recognised that the non-socialists, i.e., the right wing elements, owed their great victory in great measure to the democratic elements. But the support of the democracy was only used by Merkuloft as a tool for the overthrow of the bolsheviks. When that had been achieved, the right wing elements, who regarded the democrats as nothing better than masked bolsheviks, seized power."

The passage may seem somewhat trite, but it is important to remember that such incidents are continually recurring.

This is what happened in the case of Koltchak, then in that of Denikin, then in that of Yudenich, then in connection with the British and French occupations, then in the Petlura affair, in the Urals—all along our frontiers the same thing recurred with wearisome iteration.

The peasants advance under the banner of democracy, and are then thrust aside by the democrats; the peasants repent their action, and the bolsheviks are victorious. This sequence of events is then resumed in some other arena of the civil war.

Yet, however simple and familiar the mechanism, we can be sure that the process will be repeated by the socialist elements in all lands whenever the civil war grows fierce.

Building the New State

After the conquest of political power there comes, not only defence by the methods of civil war, but also the upbuilding of the New State and still more difficult) the new economic system.

The possibilities of the upbuilding of a socialist economic system, when the essential conquest of political power has been achieved, are limited by various factors: by the degree to which the productive forces have been developed; by the general cultural level of the proletariat; and by the political situation, national and international.

I have enumerated these factors in the order of their importance. The Soviet Government, however, was concerned with them in the reverse order: first the political situation; then the cultural level of the proletariat; and lastly with the degree of development of the forces of production.

This is self-evident. We had to carry on our economic activities upon lines and at the speed dictated by the circumstances of the civil war, and economic expediency and political necessity do not always harmonise.

Breaking the News to the Bourgeoisie

Our actions had to be mainly determined by the necessities of the civil war inasmuch as the petty bourgeoisie and the middle bourgeoisie were not conquered simply by virtue of the fact that we had seized political power. The various strata of the bourgeoisie could not as yet have been convinced that we, the working class, represented an invincible historical power—that they had no choice but to bow their necks beneath the yoke of the proletariat.

On November 7th, it was not yet possible for them to have learned this lesson. We had to bring it home to them. Every factory, every branch bank, every lawyer's office and every doctor's consulting room (I refer, of course, to the rich members of these professions) became, immediately after the conquest of power, a focus of the counter-revolution.

Petty Bourgeois Sabotage

In order that, after the conquest of political power, the smaller factories and workshops might remain for a time in the hands of the private owners, it would have been necessary to come to terms with them, and to expect them to submit to the laws of the new power. There was no possibility of anything of the kind.

None of these folks would take us seriously. That was the universal story; no one would take us seriously. We had to engage in the somewhat difficult task of teaching them that we must be taken seriously. The only way of doing this was to confiscate, to take into the hands of the State, all that was the basis of their power.

Some of them drove the workers out of their factories and closed down the enterprises; some made their private dwellings places of refuge for counter-revolutionists, and so on. In these circumstances it was natural that the exigencies of the civil war should demand more attention than considerations of economic expediency.

Smiting down the Enemy

The result was that the bourgeoisie was expropriated—not systematically and gradually, in proportion to the degree we were in a position to organise and use bourgeois property; but in proportion to the extent to which it was necessary to smite to the ground an enemy threatening us with immediate death.

This is a most important consideration. Obviously, in so far as the Western European Parties have an easier time after the conquest of power, they will find it possible to engage in the work of expropriation more systematically and more cautiously.

They will expropriate to that extent only to which, from the economic and organisational point of view, they are in a position to make use of what they expropriate, even if the exercise of this caution should mean that for the time being they are merely weakening and not destroying their enemy.



LEON TROTSKY

Specially drawn for *The Communist*

Prospects of World Revolution

The Origin of War-Communism

Of course, political and military considerations must always take precedence of economic expediency. In our own case, after we had expropriated a great deal more than we were able to turn to useful account, and after all the institutions of capitalist society had been destroyed as enemy strongholds, we were faced with the necessity for organising as best we might this great and considerably disorganised legacy.

The civil war continued its slow course, and the organisation of economic life proceeded under the pressure of the military economic needs imposed by the war. That was the origin of our war communism.

Lead for Bread

First of all it signified the satisfaction of the demand that the State and the army should be provided with bread, by any and every means, and above all by armed force. In the second place it signified the need that we should extract from this disorganised industrial system (which had been sabotaged by the bourgeoisie and its skilled managerial staff) the indispensable requisites for the army and the civil war.

Inasmuch as the entire apparatus of production that had functioned under the old regime had now been shattered to fragments, our only resource lay in the attempt to replace it by a centralised State apparatus. But the new structure was nothing better than a substitute apparatus brought into existence to meet the necessities of war.

A Hope that failed

You will ask whether we had no expectation of transcending this stage without any extensive gearward movement, whether we did not think it would be possible to advance from this stage more or less directly towards communism?

I have to admit that at this period we really did hope that revolutionary developments in Western Europe were going to move more swiftly. Even to-day, we are entitled to say with confidence that if the proletariat in Germany, France, and elsewhere in Europe, had gained power in 1919, the whole course of events would have assumed a different complexion.

In the year 1883, Karl Marx, writing to one of the narodniki (the Russian populists), declared that should the proletariat seize power in Europe before the Russian obshchina (village community) had been completely abolished during the process of historical evolution, then even the Russian village community might become one of the instruments working for communism.

If . . . !

He was absolutely right. We have even more reason to assume that if the European proletariat had seized power in 1919, it could have taken our backward country in tow, could have come to Russia's aid with their superior economic resources.

In that event, we might indeed have moved straight forward towards communism, although the measures of our primitive war communism would doubtless have required extensive modification.

Such were our hopes, but no one can tell whether this development would have proceeded quickly or slowly. *Even the Two and a Half International, in the year 1919, recognised the need for the dictatorship of the proletariat.*

Our hopes were not entirely utopian, regarded from the standpoint of the actual epoch, and not merely from the general outlook of that trend.

What the Revolution has accomplished

Let us forget for a moment that we made a leap forward, to be followed by a leap backward. Let us suppose ourselves to be reporting events to an International Congress. We should do in the following fashion.

In March, 1917, Czarism was overthrown. In November, 1917, the proletariat seized power. Then it began to defend its power, and at the same time to organise its State and its economic system. In the course of these five years the land, the most important industrial undertakings, all the railways and other means of transport, became State property. Only the enterprises of minor importance (of these I shall speak in fuller detail presently) have been left in the hands of the bourgeoisie. The State controls commerce, and has the decisive voice in all commercial transactions. From the peasants, who cultivate the State-owned land, the State receives a tax in kind, and uses the proceeds of this tax in order to develop industry at the cost of the State and for State purposes.

On hearing such a report, everyone would say: for a backward country there has been a notable advance.

Why the Retreat?

The trouble is that this advance has not been a steady forward movement. It has been effected in leaps, with zigzag recurrences. Our enemies declare that the backward movements in the zigzag marks the beginning of a capitulation.

Why have we been compelled to draw back? Because the most important task was the distribution of the productive energies and of labour power among the various branches of national industry—especially agriculture and rural industries. It consisted, that is to say, in the organisation of these productive forces. Here methods are requisite which, in their socialist and communist perfection, a victorious proletariat in the most advanced countries of the world would be able to evolve only in the course of decades.

The substitutes we were able to devise were adequate solely for the purposes of war industry. Why? Consider the situation.

Capitalist Adjustment of Production

Under capitalism, the distribution of productive energies is effected in accordance with the laws of free competition, the law of supply and demand. Wars and periods of prosperity first bring about a certain balance of forces and then disturb the balance. So things went down to the year 1914.

Then came the great war. In the economic domain it entailed profound modification—intensive economic disorganisation. There followed, in Russia, the two revolutions which gravely impaired the whole machinery of production.

We were confronted with this chaos, with the reverberations of the capitalist harmony which we have been prone to term "capitalist anarchy"; but which, nevertheless, was in some sense a harmony inasmuch as it represented a certain socially necessary relationship between the different branches of production.

The Problem of Beginning

These reverberations, then (confused by the effects of the war, and complicated by the sabotage practised by the skilled managerial staffs) were what confronted us. Simultaneously we had to deal with the question, how to feed the army and how to provide the workers with a modicum of bread.

Our centralist method sufficed for these aims. But it is absolutely erroneous to suppose that a socialist economy can be inaugurated in accordance with *a priori* statistics—that we can simply blue-pencil capitalist methods and then juggle socialism into the world upon a calculus of the needs to be satisfied and the material elements available for the purpose.

No such procedure is admissible. We have to avail ourselves of the capitalist methods, the material apparatus of production that already exists, the extant organisation of economic life, the extant distribution of products, and the extant assignments of labour power.

Limits to Solution

Of course, as soon as we have seized power, the next thing is to make certain adjustments, which must be effected in accordance with two considerations: first, that of the material possibilities available; and second, that of the modified requirements of the new order.

Through these adjustments we shall continually approximate more closely to a state of affairs in which economic life can be conducted in accordance with a centralised design, one based upon previous experience and upon accumulated wealth, and sufficiently elastic to permit of the necessary adaptation to local needs.

We see, therefore, that between capitalist anarchy and such a state of affairs as I have just been outlining, lies the phase wherein an incipient socialist economy has to work with capitalist means. Such is our present situation.

In Russia to-day, the position is very difficult. Here the workers' State has gained control of industry, and is carrying on this industry by the methods of the capitalist market, of capitalist calculation.

Historical Paradoxes

There was an epoch in Russian social evolution (I think that parallels for it can be found in the social evolution of other lands) when, while serfdom still existed, the Russian bourgeoisie was running factories with the aid of the labour power of the serfs. There was manifest the development of modern production under the legal and social rela-

tionships of an earlier system, when the Czar and the feudal nobility were still supreme. In contemporary Russia we are engaged in a great experiment, dictated by historical necessity. A new class is upbuilding a new economic system, and is doing so by old methods—for the new methods, which can only develop out of the old ones, have not yet come into being.

Applying the New Policy

We began applying the new policy in the case of the peasants. The political reasons for the New Economic Policy have been explained by Lenin. But we are here concerned with something which is only a part of the general task of applying labour power and the forces of production within the framework of a national economic system. Precisely because the problem of the peasants was especially difficult owing to the economic dismemberment of the peasant population, and owing to the peasants' low level of culture, we found it necessary to apply our new economic policy first in that field.

Let me give you an example to show that we are not concerned solely with a concession to the peasantry, but that what we witness is a necessary phase in the socialist development of the proletariat.

I am thinking of the railways. The Russian railway system was already to a great extent nationalised under capitalism, and was for the major part, owing to the technical conditions prevailing in this industry, already to a considerable degree normalised and centralised. We therefore took over the larger moiety from the capitalist State and the lesser moiety from the private companies, and we are now in possession of the whole system.

Socialising the Railway System

The socialist administration has, of course, to contemplate this system as a whole; not from the outlook of this or that railway being private property, but from the outlook of the transport interests of the country as a whole. It has to distribute the locomotives, the carriages, and the trucks, among the railways in accordance with the general interests of the economic life of the country. We find that the locomotives are of various types, having been built at different times, by different companies, in different factories. They have, therefore, to be sorted according to type, and allotted to the different railways in a way that will make the repair in the various workshops a simple matter. But as far as may be, we have to aim at bringing about uniformity of type.

Capitalist society wastes an enormous amount of labour power through the multifariousness of the elements of its productive apparatus. We have to make a beginning in the direction of uniformity in these matters by remodelling railway transport, for it is easiest to begin here.

The Socialisation of Technique

This remodelling in accordance with standard types has been justly termed the socialisation of technique. Such a process is quite as important as the electrification of industry. Without it, the forces of production will never work to their full capacity.

Well, we tried to make a beginning with the railways; but the fact that some of the railways had been private companies involved that each railway line taken as a whole had kept its separate accounts. Economically this was essential, but from the point of view of efficient technique it was injurious.

Under the old conditions it was inevitable, for whether a line is to be kept working or not depends upon how far it is economically necessary.

Whether a particular line actually does socially useful work can be ascertained either by the market or by the general statistical calculations of a socialised economy.

The need for Statistics

Now these latter methods are not yet available; they have still to be developed. Consequently, while the old methods had been destroyed by the war and the revolution, the new methods were not yet in being. We have nothing at present but capitalist calculations to guide us in the distribution of railway carriages, trucks, labour power, etc.

Only by having every journey, every act of freightage paid for, only by keeping a profit and loss account, can we be informed concerning each individual railway line and the transport system as a whole, which is subsequently to be centralised. In these respects, therefore, we have had, in a sense, to beat a retreat, and to deal with individual railway lines or groups of railway lines for the present as more or less independent entities.

Five Years of Russian Revolution

Economics Dictate

The foregoing considerations show that we cannot transcend certain economic stages in the evolution from capitalism to socialism simply because we have abstract technical aims and needs, though these are in themselves thoroughly justified.

To many other industrial enterprises this applies yet more closely. For example, let us suppose that there is a machine factory. Coal, raw materials, etc., have to be supplied to it in accordance with book entries in a central book-keeping establishment in Moscow. This involves a complete loss of touch with reality. No one knows whether the factory is working well or ill, whether it makes an adequate or an inadequate use of the coal, and so on. We are dependent upon the dubious statistics of a central office. We have no commercial balance sheet for each specific enterprise, as one which has to function as a cell in the social organism proving its utility to the workers' State, and not existing as an independent economic entity.

Book-keeping and then the Market

The new economic policy makes possible calculations of this kind, for the new economic policy is nothing else than a slower upbuilding of the socialist economy by the workers' State with the aid of the book-keeping methods and the ways of adjusting the purposiveness of an undertaking that have been created in the course of capitalist development. This is how we have been led to re-establish the market.

But for the market there must be a general equivalent. In our case this equivalent is a somewhat unfortunate one. Comrade Lenin has spoken in considerable detail to show that the stability of the rouble must be secured, and that our attempts in this direction have met with a fair measure of success. Our industry is now continually complaining of the lack of industrial capital, and the complaints have in them an echo of capitalist fetishism. Although capitalism no longer exists, capitalist fetishism has been handed down to us from the old system, and a good many comrades have been unable to shake it off. This is the spectre we have raised.

"Lack of Capital"

Complaints are voiced that our Commissariat for Finance does not supply enough money. We are told that if we only had a few paltry roubles for our factories, we could, in return for these wretched roubles, at once have linen, shoes, or other necessities. We suffer, then, from a crisis dependent on a lack of industrial capital.

What does this really mean? Inasmuch as we are now allotting our productive energies in accordance with capitalist methods, it is obvious that all our difficulties must tend to assume the aspect to which our experience of capitalist society has accustomed us. Metallurgical enterprises, for example, lack industrial capital. What does this mean? It means, above all, that we are exceedingly poor, and that in the process of reviving industry we must begin by applying our technical and financial energies where they are most urgently needed.

Where to Begin

Now the most urgent need is where consumption begins—among the workers, the peasants, and the Red soldiers. It is clear that such means as we possess must find their first use there. Not until industry has been further developed will there be a possibility for a satisfactory development of heavy industry.

Light industry is now working for the market. This means that it has entered the arena of competition among the various State and private undertakings. Only in this way will people become accustomed to work well. Such an end cannot be secured by moral education or sermonising, it cannot be secured merely by a centralised economic system. It can only be secured through every manager of a factory being controlled, not only from above, by the State, but also from below, by the consumer, by the question whether the products of the factory find a market, whether people are willing to pay for them, whether the wares are good.

This constitutes the best check upon the conduct of the entrepreneur and upon his methods of management.

After Light, Heavy Industry

In proportion as light industry makes it possible for us to produce real wealth in the country, in proportion as it proves profitable, we shall acquire a basis for heavy industry.

We perceive then, that the financial crisis of manufacturing industry is the outcome of the whole

development of our economic life. Of course, it is impossible for our financial commissariat to support by the issue of notes every enterprise that professes itself competent to do good work with its industrial capital. What would this signify? First of all, that these superfluous note issues would pass into circulation, and that a catastrophic fall in the rouble would take place, so that the total purchasing power of all the issues would be less than that of the extant issues. Secondly, it would mean that the issue of notes would become a factor tending to the disorganisation of economic life—for if we are applying capitalist methods, we must adjust and control them with extreme care; we must not flood the market with notes, and reduce our economic life to chaos.

Dangers of the New Policy

No one can deny that the new economic policy involves great danger, for if you give the devil an inch he will take an ell.

The market, competition, trade in grain—what is the upshot of all these?

First of all, a revival of the importance of trading capital, a continuous accumulation of trading capital. As soon as trading capital comes into existence, it worms its way into productive life, into manufacturing industry. It leases industrial enterprises from the State. As a sequel of this, the accumulation of capital now goes on in manufacturing industry as well as in commerce.

Consequently, real capitalism (for the speculators, the middle-men, the lessees of enterprise, etc., are the real capitalists in the Workers' State) grows continually stronger, gains control of an even larger part of the national economic system, destroys the beginnings of socialism, and will in the long run be enabled to control the State power. We know quite as well as Otto Bauer that economics are the foundation of reconstruction. Inasmuch as the new economic policy gives free play to the forces of capitalism (whose malign tendency it is to grow continually in virtue of the accumulation of capital) we run a permanent risk of being completely conquered by capitalism. Bauer tells us that this is the only saving prospect, the only way of avoiding ruin.

Possible—but not likely

Considered in the abstract there was a possibility that Koltchak or Denikin might conquer Moscow. We were at war, and when we were asked whether there was not a danger that Koltchak might enter Moscow, or at an earlier date that the Hohenzollern regiments might enter Moscow, we answered: "Of course, there is a possibility that our troops may be defeated. But our aim is victory, not defeat."

What is the position of affairs to-day? Once again, we are at war. But agriculture is the battleground. Whereas in the civil war there was a struggle for the soul of the peasantry, a fight between the Red Army on the one side and the nobles and the bourgeoisie on the other, to win over the peasants, so now the struggle between the Workers' State and capitalism is in the main not indeed for the soul, but for the market of the peasants.

Debit and Credit

In a fight it is always important to form a just estimate of the means at our disposal and the means at the disposal of the enemy.

What are our own means? The most important of all is the State power, which is an admirable weapon in the economic struggle. The whole history of capitalism and our own brief history combine to prove this. Additional means are: The ownership of the most important means of production, including land and the means of transport, the former making it possible for us to impose upon the peasants a tax in kind. Then we have the army and various other things. These are our credit entries.

When the so-called State capitalism undergoes a progressive development, it is not in the form of a true capitalism but in the form of a trend towards socialism. The better the so-called State capitalism thrives, the more closely does it grow akin to socialism.

What threatens us, is the development of private capitalism, to which free play has been given. This real capitalism will compete with our State economic system, and with our State manufactures.

Checks to Private Capitalism

The question arises: What means are at the disposal of private capitalism? It cannot dispose of the powers of the State, nor is the State power sympathetic towards it. Indeed, the State power will do its best to prevent the young plant of private capitalism from thriving too abundantly.

The Workers' State will always possess a pruning knife to deal with too luxuriant a growth. Taxation, for instance, is the first defensive weapon in the hands of the Workers' State. Furthermore, the State has control over the leased industrial enterprises.

It is especially in connection with the matter of the leased enterprises that we are supposed to have made a capitulation. That matter, therefore, demands careful consideration. Never mind the transport system (which employs in all 956,952 persons), since this is wholly in the hands of the State. Let us consider the industrial undertakings that are carried on as trusts.

State and Private Industry

In these, despite the poor development of our industrial system, the State now employs one million workers. On the other hand, in factories that have been leased to private capitalists, 80,000 workers are employed. But there is another point of decisive importance—the level of technical development in the respective enterprises.

You will have a basis for comparison when I tell you that in the leased enterprises the average number of workers per enterprise is 18, whereas in the State enterprises the average number is 250. Thus the most important enterprises, those which are best equipped from the technical point of view, are the ones in the hands of the State.

I said that one million workers were employed in State undertakings, and that 80,000 were employed in leased enterprises. But even these 80,000 are not all in private enterprises, for half of the leased enterprises are run by distributive co-operations or by commissariats which have leased the enterprises from the State and run them on their own account. It follows that in the enterprises leased by the State to private capitalists only 40,000 to 45,000 workers are employed, as against the million employed in State enterprises. The whole affair of these leased undertakings is of recent growth. Pending the day when capitalism in Russia bulks largely as State capitalism, there will be plenty of time to think things over, and, if need be, to make changes.

My own opinion is that even if the revolution in the West should not occur within the next few years, it will be a long while before the development of private capitalism in Russia will reach a bulk that can even remotely be compared with that of State capitalism.

Commerce

In the domain of commerce, private capitalism is already playing a more extensive rôle, but to give precise figures is by no means easy. Our experts declare that private trading capital comprises about 30 per cent of all trading capital in the country, the remaining 70 per cent belonging to State institutions or to the distributive co-operations that are subsidised by the State and are really under State management.

These two processes thus run their opposed courses concurrently. Nevertheless, they reinforce one another.

Private capitalism groups itself around our State trusts, competes with, and yet is nourished by them. Conversely, our State enterprises would not be able to continue at work in default of the supplies with which they are furnished by certain comparatively small private enterprises.

Primitive Accumulation: Socialist and Capitalist

Our State enterprises are now passing through the period of primitive socialist accumulation. If we do not secure any loans, we shall have to develop our economic system as an isolated national State, inasmuch as we shall accumulate in a socialist and not in a capitalist fashion.

On the other hand, there is also in progress among us a revival of primitive capitalist accumulation, and we must leave to the future to decide which of the two processes will proceed more rapidly.

The Workers' State holds the trump card. Of course, it may lose them. But when we analyse the existing situation, we see that all the advantages are on our side. All, at least, with one exception.

Private capitalism, which in Russia is now for the second time passing through the phase of primitive accumulation, is backed up by world capitalism. We are still encircled by capitalism. The question therefore arises whether our incipient socialism, which still has to work by capitalist methods, may not in the end be bought up by real capital.

"Much cry and little wool"

There are always two parties to a transaction of that kind, the buyer and the seller. Power in

Prospects of World Revolution

Russia is in the hands of the Workers' State. The chief industries and foreign trade are State monopolies, this matter of monopoly is of fundamental importance to us. It is our safeguard against the attempts of capitalism to buy up our incipient socialism. As far as the concessions are concerned, Comrade Lenin has remarked "Much cry and little wool." (Laughter).

It is often contended that world capitalism is in an extremely critical condition and has need of Soviet Russia—that Britain urgently requires the Russian market for her manufactures, that Germany wants grain, and so on.

Abstractly considered, this seems quite true, if the world be contemplated from the pacifist standpoint, from the outlook of the healthy human understanding, which is, of course, always pacifist. (Laughter).

Capitalism timid from fear

One would think, then, the British capitalists would hasten to begin the economic invasion of Russia, and that the Germans would limp along in the Britishers' rear. But we see nothing of the sort.

Why not? Because we live in a critical epoch when the economic balance has been upset, and because capital is not in a position to form and to realise great economic designs.

Unquestionably Russia represents for Britain a gigantic reservoir for trade. But it is not a reservoir that can be tapped, to-day or to-morrow. A day will come when the Russian market will be competent to provide work for Britain's army of unemployed, numbering now a million and a half. Perhaps this will be possible in three, five or ten years. In the latter event, calculations would have to be based upon a ten years perspective, but that is impracticable, for everything is now so uncertain in our shattered world.

Because of the uncertainty of the future, the economic policy of the capitalists governments can look no further than one day ahead.

World Revolution nearer than the fall of the Soviet Republic

This fact dominates the world situation, inasmuch as the capitalist powers are aware that Russia cannot bring them salvation to-morrow, they were perpetually postponing the promised concessions, loans, etc.

There is absolutely no reason to suppose that these concessions could bring ruin to Russia. The central organ of our Party is now publishing a series of lengthy articles upon one of the most important of these concessions, the Urquhart concession. Now what is the noteworthy point here? It is that, that the matter is in the hands of the Workers' State, which is deliberating whether to make or withhold this and other concessions.

In one word—the danger that real capitalism, whose development is inevitable in a free market is conceded, will grow too strong for the Workers' State, is much less imminent than the possibility that the working class in Central and Western Europe will conquer the power of the State.

Russian policy must be one of patient endurance until the working class of Europe and the world conquers the State power.

An interlude—a banging for Bauer

In some such fashion, I think, must be phrased the answer to the wiseacres of the moribund Two and a Half International. Otto Bauer devoted a pamphlet to our anniversary. In this document he recapitulated in a quiet, logical way all that our enemies in the social democratic camp have been accustomed to say concerning the new economic policy.

In the first place he tells us, of course, that the new economic policy is a capitulation, but he adds that it is a good capitulation. He goes on to declare that the ultimate upshot of the Russian Revolution could not possibly be anything else than the establishment of a bourgeois democratic republic, and he tells us that this is what he prophesied in the year 1917.

Yet he seems to remember that in the year 1919 the prophesies of these gentry, of Otto Bauer and his fellows of the Two and a Half International, were in a different key. At that time, they told us that we were at the opening of a social revolutionary epoch. No one will believe that when capitalism is hastening to its fall the world over, its blossoming time is at hand in revolutionary Russia under working class rule!

Backing it "both ways"

In 1917, when he still retained his virgin faith in the durability of capitalism, Otto Bauer wrote that the Russian Revolution must end in the establishment of a bourgeois State. A socialist opportunist is always an impressionist in politics. In 1919, startled by the rise of the revolutionary flood, he proclaimed that the social revolutionary epoch was at hand. Now, God be praised, the tide of revolution is ebbing, so Bauer hastens to fall back upon his prophesy of 1917. He always has two kinds of prophesies on tap, and can turn on whichever seems to suit the occasion. (Laughter).

Still, who can doubt that this course of evolution leads towards democracy? Otto Bauer and Martoff made up their minds about that long ago. Bauer tells us that events are once more confirming Marx's doctrine, that the revolutionising of the economic basis must precede the revolutionising of the whole political super-structure. It is perfectly true that when the economic basis is altered, the political super-structure changes also. But, first of all, the economic basis cannot be altered simply at the dictates of Otto Bauer, or even of Mr. Urquhart, who might perhaps have a little more influence in the matter than Bauer. Secondly, in so far as the economic basis is really changing in Russia this is occurring at so slow a tempo and upon so small a scale that there is no likelihood of our political control being shaken during the process.

Bourgeois Concessions

Moreover, the bourgeoisie historically has made many concessions to the working class. Let us not forget this, nor that many of the experiments were venturesome—universal suffrage, for instance.

Marx described the legal limitation of the working day in Britain as the victory of a new principle. But a long historical period has intervened between the partial victory of this principle of the future and the conquest of political power by the British working class.

For our part, we do not need so long a moratorium. We must not hesitate to admit that if concessions to capitalist methods on the one hand and to the capitalist world on the other should develop, accumulate, extend, multiply, grow more formidable in quality, then a time would inevitably come when the foundations would have been so seriously undermined that the super-structure of the Workers' State would infallibly collapse. But it lies within the logic of the events we are considering first, that the super-structure, once it has been erected, becomes one of the factors influencing the foundation, and that the foundation is rendered more secure by the existence of the super-structure; and secondly, that we are not reckoning for eternity, but for a definite historical period; *until the great Western reserves, which have to form the vanguard, enter the stage.*

The Reason for Dictatorship

If capitalism is everlasting, then the triumph of socialism will never come. This sums up all the wisdom of Mr. Otto Bauer.

But to conclude. He expresses the opinion that we must hasten the modification of the super-structure. He writes: "The reconstruction of a capitalist economy cannot be effected under the dictatorship of a communist party. The new course in economics demands a new course in politics."

Thus the man who has worked such wonders in Austria (laughter) solemnly declares: "Take notice, capitalism cannot flourish under the dictatorship of your party."

Just so: That is why we maintain the dictatorship of our party! (Laughter and applause).

There remains, however, one important problem which I have not yet considered. I refer to the problem of productivity, the field of labour.

Socialism is one kind of economic system, capitalism is another. The advantages of socialism are not to be proved by talking about them, but by the increased field of labour. Just as the capitalist economic system had the advantage over the feudal system of making human labour more efficient, socialism possesses the corresponding advantage over capitalism. We are now exceedingly poor, that is a positive fact, and if attention be concentrated upon it, our enemies can find plenty of arguments against us.

Both agricultural and industrial production in Russia are considerably less now than they were before the war. The agricultural produce of the last year was about three-quarters of the yield of an average pre-war year; industrial products last year totalled about one-quarter of the yield of the pre-war period. At the first glance this suggests that our position is a dangerous one.

Manufacture the Soviet's main support

Manufacturing industry must be our main support, seeing that agriculture provides the basis for the accumulation of private capital. Now we must not forget that the peasant carried on production mainly for himself, produced mainly for his own needs. Since the peasants this year produced a harvest equal to only three-quarters of a pre-war harvest, the best they could do, after paying the tax in kind, of 314,000,009 poods, was to supply about 100,000,000 poods for the market.

Both for private capital, and for such trading capital as is in the hands of the State, we are concerned only with the amount of agricultural produce which comes upon the market. The amount is comparatively small, and is not likely to expand more quickly than industrial development advances.

Still, we have not yet proved by facts that socialism is a better economic method than capitalism, for Russia is poorer than before the war and even than before the revolution.

This is a fact. It is explicable by another fact, namely, that revolution as a method of economic transformation, is a costly affair. All revolutions have taught this. Consider, for instance, the Great French Revolution. At the Genoa Conference the French expert Collierat (now French Minister of Justice) said to Comrade Litvinoff or to Comrade Tchitcherine: "You really have no right to say a word about economic affairs. You compare the condition of your country with the condition of ours." Now the condition of modern France, on a capitalist basis, is the outcome of the Great French Revolution. France, as we see her to-day, with her wealth, her civilisation, and her corruption, would be unthinkable were it not for the Great French Revolution.

The Russian Revolution—and the French

At the 14th of July celebrations, Collierat, of course, speaks of the Great French Revolution as the mother of modern democracy. In this connection I have been looking up a few historical works, such as Taine's writings and Jaures' History of Socialism, and have ascertained the following facts.

The impoverishment of France began to become serious after the ninth of Thermidor, i.e., after the beginning of the counter-revolutionary era. Ten years after the opening of the revolution, when Bonaparte was First Consul, Paris received a daily supply of flour ranging from 300 to 500 sacks, whereas the minimum normal requirements of the city was 1,500 sacks. Thus Paris, having at that time a population of half a million, was able in the tenth year of the bourgeois revolution to secure only from one-third to two-fifths of the most important of the necessities of life.

There is another example. At the same epoch, in the ninth and tenth years of the French Revolution, there had been a decline in population in 37 out of the 38 departments, the decline being due to famine, epidemic disease, etc.

In ten years, please note.

We are just at the beginning of the sixth year. Russia's position at the present time is not wholly enviable, but it is more favourable than was the position of France ten years after the beginning of the bourgeois democratic revolution.

We have to realise that history pursuing her aim of intensifying the capacity of human labour, sometimes works with the method of devastation. Such disharmonies are the fault of history; we are not responsible for them. Quite recently I read a speech to which I should like to direct the attention of the French comrades in special. It was delivered by the French chemist Berthelot (the son of the more celebrated Berthelot) and he was speaking as a delegate of the Academie des Sciences:—

"In all epochs of history, alike in the domain of science, in that of politics, and in that of social phenomenon, it has even been the splendid and terrible privilege of armed conflicts to speed with blood and iron the birth of new times."

Of course, Berthelot was thinking mainly of war. He was right; for wars, and especially such wars as defend a new historical principle, convey great impulsive energy.

But he was also referring to armed conflicts in general. The revolutionary conflicts that entail devastation, simultaneously entail the birth of new epochs.

The Tenth Year of the Revolution

From these considerations we can infer that the costs of revolution are not fruitless expenditure. We have to ask our friends (and they will grant it) to give us another five years. Then in the *tenth year of the revolution* we shall be in a position to prove the superiority of socialism to capitalism in

Five Years of Russian Revolution

the economic field, not by speculations, merely, but by hard facts.

If, however, the capitalist world is going to endure for several decades, then this would signify a death sentence for Soviet Russia.

But in this respect there is no need to distrust or to modify the views, demonstrations, and Theses of our Third Congress. Lord Curzon, British Minister for Foreign Affairs, speaking on November 9th, the birthday of the German Republic, gave an excellent summary of the world situation:—

"All the Powers have emerged from the war with weakened and broken energies. We ourselves are suffering from a heavy burden of taxation which weighs upon the industry of our country. We have a great number of unemployed in all branches of work. As regards France, her indebtedness is immense, and she is not able to secure the payment of the war indemnities. Germany is in a condition of political instability, and her economic life is paralysed by an appalling currency crisis. Russia still remains outside the family of European nations. It is still under the Communist flag."—The noble lord differs, apparently, from Otto Bauer (laughter)—"and continues to carry on constant propaganda all over the world"—of course this is untrue. (Laughter).—"Italy has traversed a number of shocks and governmental crises"—has traversed! I should say, is still traversing (laughter)—"The Near East is in a condition of absolute chaos. The situation is a terrible one."

Even the Russian communists would be hard put to it to conduct better propaganda upon a world wide scale. One of the best known representatives of the strongest realm in Europe assures us on the fifth anniversary of the Soviet Republic that "the situation is a terrible one."

The World Collapse of Capitalism

An Italian newspaper correspondent recently asked me for my estimate of the present world situation. In somewhat humdrum phraseology I replied:—

"Capitalism has become incapable of ruling, and the working class is not yet competent to rule. Those are the characteristics of our epoch."

You note that Lord Curzon quite confirms the first part of my summary.

Capitalism is in a historical crisis. The working class is not yet ready to end this crisis by seizing political power. Let me remind you that at the Third Congress we endeavoured, both in our speeches and in our Theses, to draw a sharp distinction between the historical crisis of capitalism and a casual crisis. You will remember the discussions on this topic, some in the commissions and some in the plenum.

There are strong practical reasons why we ought to confirm the Theses on this particular point. It would seem that a good many of the comrades, when this idea of the historical crisis of capitalism was invoked, represented it to themselves as meaning that the crisis, automatically undergoing intensification, would revolutionise the proletariat by rendering its methods of attack more vigorous and by inciting it to make a direct onslaught.

Crisis Ebbs and Flows

We insisted that cyclical waves, casual oscillations, inevitably occur within the limits of the historical crisis of capitalism. We said that the acute casual crisis which began in the year 1920, though it made the situation of capitalism worse for the time being, would certainly be followed by a partial recovery, by more or less improvement from the capitalist point of view. Some of the comrades seemed to think that when we said this we are leaning towards opportunism, that we were attempting to find excuses for postponing the revolution.

Let us try to realise where we would be to-day had we accepted this mechanical theory, the theory of a crisis growing continually worse—when to-day we have to face the fact that in the most important capitalist lands the crisis has given place to improvement, or to a stagnation which is tantamount to improvement when compared to the crisis. (In the U.S.A., the most powerful of all capitalist countries, there is prosperity. How long it will last, and whether it has the roots that will ensure its continuance, is another question).

The state of Europe admits the general decomposition of the world system. These are facts, and they testify to the existence of the great historical crisis. Nevertheless, the casual improvement is likewise a fact.

Revising our Conceptions

We have to-day to modify, to revise, our conception as to the revolutionary character of our epoch. We have to subject the matter to a theoretical re-

examination. We should have made a great mistake had we been guided by those comrades who wanted us to recognise the principle that a crisis is always a more revolutionary factor than prosperity; who wanted us to admit in our Theses that there was no reason for anticipating the possibility of an improvement in the economic position of capitalism.

We were right, and we stand armed against our opponents of the Second and Two and a Half Internationals.

When we adjudged the epoch to be revolutionary, it was not because a casual crisis in 1920 had swept away the fallacious prosperity of the year 1919, but because our general view of the world situation led us to our outlook. It seems to me that many of the comrades will have to take note of these facts. I think we have strong reasons for confirming the Theses of the Third Congress.

In so far as in our Theses and speeches we proclaimed the opening of a new epoch, I think we were right, although some of the comrades thought that we were taking too long views.

"We shall know how to wait"

I remember that Comrade Lenin, in one of his speeches at the Third Congress, or perhaps in one of the commissions, said: "Of course, it is of the greatest importance to us that the pace of the revolution should be quickened, but even if the world revolution should not come in one year or in two in Russia we shall know how to wait and how to endure. The last thing we want is to urge you to take any premature steps."

A good many of Lenin's hearers looked round dolefully, thinking: Two years! It was a terrible thought to some of them. Fifteen months have passed since then. We are nearer the revolution, but not yet close to it. Nevertheless, Russia can to-day say with much more confidence than fifteen months ago:

Should the coming of the world revolution be delayed for a year or for two, when it does come, it will find Soviet Russia even more firmly established than to-day."

Why partial Demands?

The prospect we now have to face is the outcome of the fact that in the year 1919 we did not effect the International overthrow of the bourgeoisie. It was in this situation that we had to develop our campaign for the conquest of the great masses of the proletariat and for the development of our organisation and methods. Here, too, we had to inscribe upon our banners the partial demands of the working class, and in this likewise to lead the workers.

What is the difference between ourselves and the social democrats of the old type, inasmuch as we, too, advocate partial demands?

The difference consists in our respective estimates of the character of the epoch. Before the war, the bourgeoisie, as a dominant class, was able to make concessions. The XIXth century, considered as a whole, may be regarded as an epoch in which the bourgeoisie made concessions to the working class, or to special strata of the working class. These concessions were always such as could be made with an eye to bourgeois advantage, nothing must be conceded that would threaten bourgeois dominion.

Progress not automatic

The new epoch, we can say now with confidence, does not date its beginning from the end of the war; it began in the years 1913-14.

The crisis of the year 1913, was not one of the casual crises, with which we are familiar, following upon a period of prosperity; it was the opening of a new epoch of capitalism, in which the productive forces had outgrown the old framework. The bourgeoisie was no longer in a position to make concessions.

The war has accentuated the tensions of the situation. Still, this does not give us the right to conceive that our progress will be automatic, or to take a fatalistic view of the future. Even in the new revolutionary epoch, one party or another may pass into a state of stagnation and a campaign for partial demands may well be regarded as tending towards stagnation.

Danger of premature advance over

At the Third Congress, the majority called to order those elements of the International whose haviour made the danger imminent that the vanguard of our movement, advancing prematurely, would encounter the passivity or immaturity of the great masses of the workers, and would be broken against the still firm forces of the capitalist State. Fifteen months ago, that was our greatest danger, and the Third Congress issued a warning against it.

In so far as this involved any retreat, that retreat ran parallel with the economic retreat of Russia. Some of the comrades interpreted the warning as implying that the whole attitude of the Communist International was concentrated upon the avoidance of the left wing danger. Of course, this is an utterly erroneous view.

Danger of stagnation

What has been termed the left wing danger, is merely the danger of mistakes that we are all liable to make. The danger of the right wing, on the other hand, was and is the danger that the Communist Parties may be rendered stagnant owing to the influence of the whole of bourgeois society, an influence which can be understood in the light of our characterisation of the predatory epoch.

In the year 1919, when great waves of dissatisfaction were rising in all lands, and when the whole of political life was a reflection of this revolutionary movement, the bourgeoisie was in a state of political disorganisation. To-day, in comparatively tranquil times, when we have to strive to enlist the sympathy of the workers even by putting forward partial demands, there has arisen a situation in which the capitalist world has once more great opportunities for establishing its agencies even within the framework of our own world-wide revolutionary Party.

Quicken up the pace

It is, therefore, not merely our right to appeal to the revolutionary character of the epoch, but it is also our duty to quicken up the pace. This will be done by a thorough purging of the Communist International, so that when the great moment of struggle comes our organisation may be perfectly equipped and ready for battle.

The difficulties which the Western European Parties have to overcome are incomparatively greater than those which we had to overcome in the Russian revolution. For instance, pacifist and reformist illusions are far from being dispelled. In France a blossoming period of pacifism and reformism is inevitable, unless the revolution should come sooner than now seems possible, thanks to a concatenation of circumstances which at present elude our ken. After the illusions of the war and of the intoxication of victory, the petty bourgeois illusions of pacifism and reformism will win to power in the form of a coalition of the parties of the left. To-day, too, there is considerable likelihood of large sections of the working class becoming infected with the same illusions. It is, therefore, of the utmost importance that the French Communist Party should promptly rid itself of all those who might act as the introducers of pacifist and reformist illusions into our own ranks.

Danger from British Pacifist Democracy

Similar considerations apply to Britain. I do not know what the result of the British elections is going to be. But if the Conservatives and the National Liberals should return to power, their reign will be short. England will inevitably experience the substitution of a pacifist democratic trend for a conservative trend. Get this picture into your minds. Suppose that in France there is "le bloc des gauches," a coalition of the left, forming a pacifist democratic government, and suppose that in Britain there is a Labour Government allied with the Independent Liberals. What will happen in Germany in that case? There the social democrats will draw a deep breath. We shall see a revival of Wilsonism on a broader basis.

There is absolutely no safeguard against the coming of a new period, imposing in its way, wherein the working class will be stupefied and benumbed by pacifist and reformist trends.

The Opportunity of the Communist Party

Since the era is revolutionary, since the oppositions are irreconcilable, and since the internal contradictions of capitalism are so extensive, this epoch can be nothing more than the last flickers of a candle that is burning itself out.

Imagine the revolution postponed until this pacifist tide has risen to its height; will not the French and British workers, in the throes of an intense psychological crisis, look around for a political party which has never tried to deceive them? They will look for a party which has continued to tell the truth, the naked, brutal truth throughout this period of pacifist mendacity.

The Communist Party must be able to answer to this description.