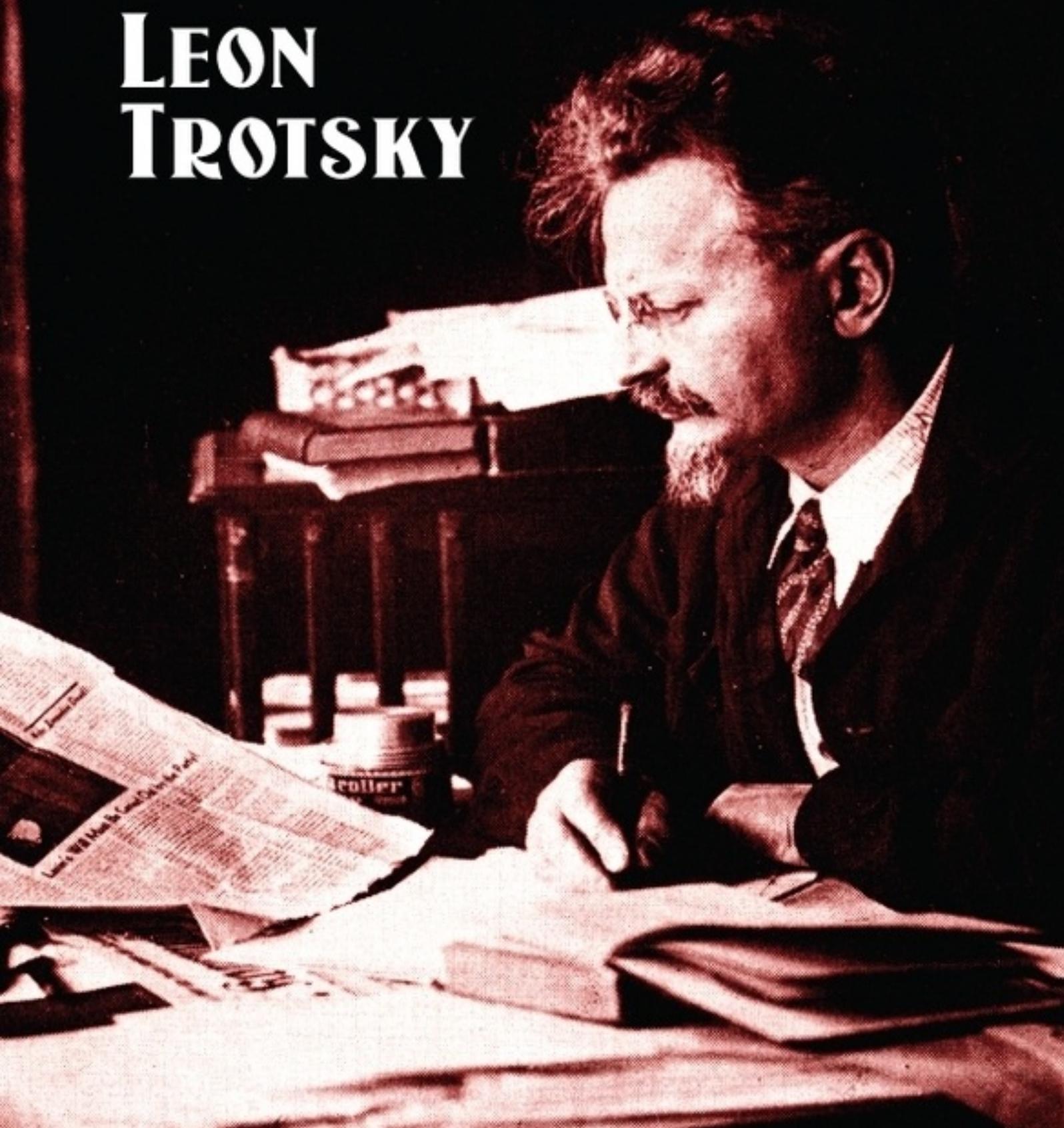


THE REVOLUTION BETRAYED

LEON
TROTSKY



The Revolution Betrayed

Leon Trotsky

Translated by Max Eastman

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Table of Contents

Title Page

Copyright Page

INTRODUCTION - THE PURPOSE OF THE PRESENT WORK

CHAPTER I - WHAT HAS BEEN ACHIEVED

CHAPTER II - ECONOMIC GROWTH AND THE ZIGZAGS OF THE LEADERSHIP

CHAPTER III - SOCIALISM AND THE STATE

CHAPTER IV - THE STRUGGLE FOR PRODUCTIVITY OF LABOR

CHAPTER V - THE SOVIET THERMIDOR

CHAPTER VI - THE GROWTH OF INEQUALITY AND SOCIAL ANTAGONISMS

CHAPTER VII - FAMILY, YOUTH AND CULTURE

CHAPTER VIII - FOREIGN POLICY AND THE ARMY

CHAPTER IX - SOCIAL RELATIONS IN THE SOVIET UNION

CHAPTER X - THE SOVIET UNION IN THE MIRROR OF THE NEW CONSTITUTION

CHAPTER XI - WHITHER THE SOVIET UNION?

APPENDIX - "SOCIALISM IN ONE COUNTRY"

INTRODUCTION

THE PURPOSE OF THE PRESENT WORK

THE bourgeois world at first tried to pretend not to notice the economic successes of the soviet regime—the experimental proof, that is, of the practicability of socialist methods. The learned economists of capital still often try to maintain a deeply cogitative silence about the unprecedented tempo of Russia’s industrial development, or confine themselves to remarks about an extreme “exploitation of the peasantry.” They are missing a wonderful opportunity to explain why the brutal exploitation of the peasants in China, for instance, or Japan, or India, never produced an industrial tempo remotely approaching that of the Soviet Union.

Facts win out, however, in the end. The bookstalls of all civilized countries are now loaded with books about the Soviet Union. It is no wonder; such prodigies are rare. The literature dictated by blind reactionary hatred is fast dwindling. A noticeable proportion of the newest works on the Soviet Union adopt a favorable, if not even a rapturous, tone. As a sign of the improving international reputation of the parvenu state, this abundance of pro-soviet literature can only be welcomed. Moreover, it is incomparably better to idealize the Soviet Union than fascist Italy. The reader, however, would seek in vain on the pages of this literature for a scientific appraisal of what is actually taking place in the land of the October revolution.

The writings of the “friends of the Soviet Union” fall into three principal categories: A dilettante journalism, reportage with a more or less “left” slant, makes up the principal mass of their articles and books. Alongside it, although more pretentious, stand the productions of a humanitarian, lyric and pacifistical “communism.” Third comes economic schematization, in the spirit of the old-German *Kathedersozialismus*. Louis Fischer and Duranty are sufficiently well-known representatives of the first type. The late Barbusse and Romain Rolland represent the category of “humanitarian” friends. It is not accidental that before ever coming over to Stalin the former wrote a life of Christ and the latter a biography of Ghandi. And finally, the conservatively pedantic socialism has found its most authoritative representation in the indefatigable Fabian couple, Beatrice and Sidney Webb.

What unifies these three categories, despite their differences, is a kowtowing before accomplished fact, and a partiality for sedative generalizations. To revolt against their own capitalism was beyond these writers. They are the more ready, therefore, to take their stand upon a foreign revolution which has already ebbed back into its channels.

Before the October revolution, and for a number of years after, no one of these people, nor any of their spiritual forebears, gave a thought to the question how socialism would arrive in the world. That makes it easy for them to recognize as socialism what we have in the Soviet Union. This gives them not only the aspect of progressive men, in step with the epoch, but even a certain moral stability. And at the same time it commits them to absolutely nothing. This kind of contemplative, optimistic, and anything but destructive, literature, which sees all unpleasantness in the past, has a very quieting effect on the nerves of the reader and therefore finds a ready market. Thus there is quietly coming into being an international school which might be described as *Bolshevism for the Cultured Bourgeoisie*, or more concisely, *Socialism for Radical Tourists*.

We shall not enter into a polemic with the productions of this school, since they offer no serious grounds for polemic. Questions end for them where they really only begin. The purpose of the present investigation is to estimate correctly what is, in order the better to understand what is coming to be. We shall dwell upon the past only so far as that helps us to see the future. Our book will be critical. Whoever worships the accomplished fact is incapable of preparing the future.

The process of economic and cultural development in the Soviet Union has already passed through several stages, but has by no means arrived at an inner equilibrium. If you remember that the task of socialism is to create a classless society based upon solidarity and the harmonious satisfaction of all needs, there is not yet, in this fundamental sense, a hint of socialism in the Soviet Union. To be sure, the contradictions of soviet society are deeply different from the contradictions of capitalism. But they are nevertheless very tense. They find their expression in material and cultural inequalities, governmental repressions, political groupings, and the struggle of factions. Police repression hushes up and distorts a political struggle, but does not eliminate it. The thoughts which are forbidden exercise an influence on the governmental policy at every step, fertilizing or blocking it. In these circumstances, an analysis of the development of the Soviet Union cannot for a minute neglect to consider those ideas and slogans under which a stifled but passionate political struggle is being waged throughout the country. History here merges directly with living politics.

The safe-and-sane "left" philistines love to tell us that in criticizing the Soviet Union we must be extremely cautious lest we injure the process of socialist construction. We, for our part, are far from regarding the Soviet state as so shaky a structure. The enemies of The Soviet Union are far better informed about it than its real friends, the workers of all countries. In the general staffs of the imperialist governments an accurate account is kept of the pluses and minuses of the Soviet Union, and not only on the basis of public reports. The enemy can, unfortunately, take advantage of the weak side of the workers' state, but never of a criticism of those tendencies which they themselves consider its favorable features. The hostility to criticism of the majority of the official "friends" really conceals a fear not of the fragility of the Soviet Union, but of the fragility of their own sympathy with it. We shall tranquilly disregard all fears and warnings of this kind. It is facts and not

illusions that decide. We intend to show the face and not the mask.

August 4, 1936.

POSTSCRIPT

This book was completed and sent to the publishers before the “terrorist” conspiracy trial at Moscow was announced. Naturally, therefore, the proceedings at the trial could not be evaluated in its pages. Its indication of the historic logic of this “terrorist” trial, and its advance exposure of the fact that its mystery is deliberate mystification, is so much the more significant.

September 1936.

CHAPTER I

WHAT HAS BEEN ACHIEVED

1. The Principal Indices of Industrial Growth

OWING to the insignificance of the Russian bourgeoisie, the democratic tasks of backward Russia—such as liquidation of the monarchy and the semi-feudal slavery of the peasants—could be achieved only through a dictatorship of the proletariat. The proletariat, however, having seized the power at the head of the peasant masses, could not stop at the achievement of these democratic tasks. The bourgeois revolution was directly bound up with the first stages of a socialist revolution. That fact was not accidental. The history of recent decades very clearly shows that, in the conditions of capitalist decline, backward countries are unable to attain that level which the old centers of capitalism have attained. Having themselves arrived in a blind alley, the highly civilized nations block the road to those in process of civilization. Russia took the road of proletarian revolution, not because her economy was the first to become ripe for a socialist change, but because she could not develop further on a capitalist basis. Socialization of the means of production had become a necessary condition for bringing the country out of barbarism. That is the *law of combined development* for backward countries. Entering upon the socialist revolution as “the weakest link in the capitalist chain” (Lenin), the former empire of the tzars is even now, in the nineteenth year after the revolution, still confronted with the task of “catching up with and outstripping”—consequently in the first place *catching up with*—Europe and America. She has, that is, to solve those problems of technique and productivity which were long ago solved by capitalism in the advanced countries.

Could it indeed be otherwise? The overthrow of the old ruling classes did not achieve, but only completely revealed, the task: to rise from barbarism to culture. At the same time, by concentrating the means of production in the hands of the state, the revolution made it possible to apply new and incomparably more effective industrial methods. Only thanks to a planned directive was it possible in so brief a span to restore what had been destroyed by the imperialist and civil wars, to create gigantic new enterprises, to introduce new kinds of production and establish new branches of industry.

The extraordinary tardiness in the development of the international revolution, upon whose prompt aid the leaders of the Bolshevik party had counted, created immense difficulties for the Soviet Union, but also revealed its inner powers and resources. However, a correct appraisal of the results achieved—their grandeur as well as their inadequacy—is possible only with the help of an international scale of measurement.

This book will be a historic and sociological interpretation of the process, not a piling up of statistical illustrations. Nevertheless, in the interests of the further discussion, it is necessary to take as a point of departure certain important mathematical data.

The vast scope of industrialization in the Soviet Union, as against a background of stagnation and decline in almost the whole capitalist world, appears unanswerably in the following gross indices. Industrial production in Germany, thanks solely to feverish war preparations, is now returning to the level of 1929. Production in Great Britain, holding to the apron strings of protectionism, has raised itself three or four per cent during these six years. Industrial production in the United States has declined approximately 25 per cent; in France, more than 30 per cent. First place among capitalist countries is occupied by Japan, who is furiously arming herself and robbing her neighbors. Her production has risen almost 40 per cent! But even this exceptional index fades before the dynamic of development in the Soviet Union. Her industrial production has increased during this same period approximately $3\frac{1}{2}$ times, or 250 per cent. The heavy industries have increased their production during the last decade (1925 to 1935) more than ten times. In the first year of the first five-year plan (1928 to 1929), capital investments amounted to 5.4 billion rubles; for 1936, 32 billions are indicated.

If in view of the instability of the ruble as a unit of measurement, we lay aside money estimates, we arrive at another unit which is absolutely unquestionable. In December 1913, the Don basin produced 2,275,000 tons of coal; in December 1935, 7,125,000 tons. During the last three years the production of iron has doubled. The production of steel and of the rolling mills has increased almost $2\frac{1}{2}$ times. The output of oil, coal and iron has increased from 3 to $3\frac{1}{2}$ times the pre-war figure. In 1920, when the first plan of electrification was drawn up, there were 10 district power stations in the country with a total power production of 253,000 kilowatts. In 1935, there were already 95 of these stations with a total power of 4,345,000 kilowatts. In 1925, the Soviet Union stood 11th in the production of electro-energy; in 1935, it was second only to Germany and the United States. In the production of coal, the Soviet Union has moved forward from tenth to fourth place. In steel, from sixth to third place. In the production of tractors, to the first place in the world. This also is true of the production of sugar.

Gigantic achievements in industry, enormously promising beginnings in agriculture, an extraordinary growth of the old industrial cities and a building of new ones, a rapid increase of the number of workers, a rise in cultural level and cultural demands—such are the indubitable results of the October revolution, in which the prophets of the old world tried to see the grave of human civilization. With the bourgeois economists we have no longer anything to quarrel over. Socialism has demonstrated its right to victory, not on the pages of *Das Kapital*, but in an industrial arena comprising a sixth part of the earth's surface—not in the language of dialectics, but in the language of steel, cement and electricity. Even if the Soviet Union, as a result of internal difficulties, external blows and the mistakes of its leadership, were to collapse—which we firmly hope will not happen—there would remain as an earnest of the future this indestructible fact, that thanks solely to a proletarian revolution a backward country

has achieved in less than ten years successes unexampled in history.

This also ends the quarrel with the reformists in the workers' movement. Can we compare for one moment their mouselike fussing with the titanic work accomplished by this people aroused to a new life by revolution? If in 1918 the Social-Democrats of Germany had employed the power imposed upon them by the workers for a socialist revolution, and not for the rescue of capitalism, it is easy to see on the basis of the Russian experience what unconquerable economic power would be possessed today by a socialist bloc of Central and Eastern Europe and a considerable part of Asia. The peoples of the world will pay for the historic crime of reformism with new wars and revolutions.

2. Comparative Estimate of These Achievements

The dynamic coefficients of Soviet industry are unexampled. But they are still far from decisive. The Soviet Union is lifting itself from a terribly low level, while the capitalist countries are slipping down from a very high one. The correlation of forces at the present moment is determined not by the rate of growth, but by contrasting the entire power of the two camps as expressed in material accumulations, technique, culture and, above all, the productivity of human labor. When we approach the matter from this statistical point of view, the situation changes at once, and to the extreme disadvantage of the Soviet Union.

The question formulated by Lenin—*Who shall prevail?*—is a question of the correlation of forces between the Soviet Union and the world revolutionary proletariat on the one hand, and on the other international capital and the hostile forces within the Union. The economic successes of the Soviet Union make it possible for her to fortify herself, advance, arm herself, and, when necessary, retreat and wait—in a word, hold out. But in its essence the question, Who shall prevail—not only as a military, but still more as an economic question—confronts the Soviet Union on a world scale. Military intervention is a danger. The intervention of cheap goods in the baggage trains of a capitalist army would be an incomparably greater one. The victory of the proletariat in one of the Western countries would, of course, immediately and radically alter the correlation of forces. But so long as the Soviet Union remains isolated, and, worse than that, so long as the European proletariat suffers reverses and continues to fall back, the strength of the Soviet structure is measured in the last analysis by the productivity of labor. And that, under a market economy, expresses itself in production costs and prices. The difference between domestic prices and prices in the world market is one of the chief means of measuring this correlation of forces. The Soviet statisticians, however, are forbidden even to approach that question. The reason is that, notwithstanding its condition of stagnation and rot, capitalism is still far ahead in the matter of technique, organization and labor skill.

The traditional backwardness of agriculture in the Soviet Union is well enough known. In no branch of it has progress been made that can in the remotest degree bear comparison with the progress in industry. “We are still way behind the capitalist countries in the beet crop,” complains Molotov, for example, at the end of 1935. “In 1934 we reaped from one hectare¹ 82 hundredweight; in 1935, in the Ukraine with an

extraordinary harvest 131 hundredweight. In Czechoslovakia and Germany, they reap about 250 hundredweight, in France, over 300 per hectare.” Molotov’s complaint could be extended to every branch of agriculture—textile as well as grain growing, and especially to stockbreeding. The proper rotation of crops, selection of seeds, fertilization, the tractors, combines, blooded stock farms—all these are preparing a truly gigantic revolution in socialized agriculture. But it is just in this most conservative realm that the revolution demands time. Meanwhile, notwithstanding collectivization, the problem still is to approach the higher models of the capitalist West, handicapped though it is with the small-farm system.

The struggle to raise the productivity of labor in industry runs in two channels: adoption of an advanced technique and better use of labor power. What made it possible to establish gigantic factories of the most modern type in the space of a few years was, on the one hand, the existence in the West of a high capitalist technique, on the other, the domestic regime of planned economy. In this sphere foreign achievements are in process of assimilation. The fact that Soviet industry, as also the equipping of the Red Army, has developed at a forced tempo, contains enormous potential advantages. The industries have not been compelled to drag along an antiquated implementation as in England and France. The army has not been condemned to carry an old-fashioned equipment. But this same feverish growth has also had its negative side. There is no correspondence between the different elements of industry; men lag behind technique; the leadership is not equal to its tasks. Altogether this expresses itself in extremely high production costs and poor quality of product.

“Our works,” writes the head of the oil industry, “possess the same equipment as the American. But the organization of the drilling lags; the men are not sufficiently skilled.” The numerous breakdowns he explains as a result of “carelessness, lack of skill and lack of technical supervision.” Molotov complains: “We are extremely backward in organization of the building industry. . . . It is carried on for the most part in old ways with an abominable use of tools and mechanisms.” Such confessions are scattered throughout the Soviet press. The new technique is still far from giving the results produced in its capitalist fatherlands.

The wholesale success of the heavy industries is a gigantic conquest. On that foundation alone it is possible to build. However, the test of modern industry is the production of delicate mechanisms which demand both technical and general culture. In this sphere the backwardness of the Soviet Union is still great.

Undoubtedly the most important successes, both quantitative and qualitative, have been achieved in the war industries. The army and fleet are the most influential clients, and the most fastidious customers. Nevertheless in a series of their public speeches the heads of the War Department, among them Voroshilov, complain unceasingly: “We are not always fully satisfied with the quality of the products which you give us for the Red Army.” It is not hard to sense the anxiety which these cautious words conceal.

The products of machine manufacture, says the head of the heavy industries in an official report, “must be of good quality and unfortunately are not.” And again: “Machines with us are expensive.” As always the speaker refrains from giving

accurate comparative data in relation to world production.

The tractor is the pride of Soviet industry. But the coefficient of effective use of the tractors is very low. During the last industrial year, it was necessary to subject 81 per cent of the tractors to capital repairs. A considerable number of them, moreover, got out of order again at the very height of the tilling season. According to certain calculations, the machine and tractor stations will cover expenses only with a harvest of 20 to 22 hundredweight of grain per hectare. At present, when the average harvest is less than half of that, the state is compelled to disburse billions to meet the deficit.

Things are still worse in the sphere of auto transport. In America a truck travels sixty to eighty, or even one hundred thousand kilometers a year; in the Soviet Union only twenty thousand—that is, a third or a fourth as much. Out of every one hundred machines, only fifty-five are working; the rest are undergoing repairs or awaiting them. The cost of repairs is double the cost of all the new machines put out. It is no wonder that the state accounting office reports: “Auto transport is nothing but a heavy burden on the cost of production.”

The increase of carrying power of the railroads is accompanied, according to the president of the Council of People’s Commissars, “by innumerable wrecks and breakdowns.” The fundamental cause is the same: low skill of labor inherited from the past. The struggle to keep the switches in neat condition is becoming in its way a heroic exploit, about which prize switch-girls make reports in the Kremlin to the highest circles of power. Water transport, notwithstanding the progress of recent years, is far behind that of the railroads. Periodically the newspapers are speckled with communications about “the abominable operation of marine transport,” “extremely low quality of ship repairs,” etc.

In the light industries, conditions are even less favorable than in the heavy. A unique law of Soviet industry may be formulated thus: commodities are as a general rule worse the nearer they stand to the mass consumer. In the textile industry, according to *Pravda*, “there is a shamefully large percentage of defective goods, poverty of selection, predominance of low grades.” Complaints of the bad quality of articles of wide consumption appear periodically in the press: “clumsy ironware”; “ugly furniture, badly put together and carelessly finished”; “you can’t find decent buttons”; “the system of social food supply works absolutely unsatisfactorily.” And so on endlessly.

To characterize industrial progress by quantitative indices alone, without considering quality, is almost like describing a man’s physique by his height and disregarding his chest measurements. Moreover, to judge correctly the dynamic of Soviet industry, it is necessary, along with qualitative corrections, to have always in mind the fact that swift progress in some branches is accompanied by backwardness in others. The creation of gigantic automobile factories is paid for in the scarcity and bad maintenance of the highways. “The dilapidation of our roads is extraordinary. On our most important highway—Moscow to Yaroslavl—automobiles can make only ten kilometers [six miles] an hour.” (*Izvestia*) The president of the State Planning Commission asserts that the country still maintains “the tradition of pristine roadlessness.”

Municipal economy is in a similar condition. New industrial towns arise in a brief span; at the same time dozens of old towns are running to seed. The capitals and industrial centers are growing and adorning themselves; expensive theaters and clubs are springing up in various parts of the country; but the dearth of living quarters is unbearable. Dwelling houses remain as a rule uncared for. “We build badly and at great expense. Our houses are being used up and not restored. We repair little and badly.” (*Izvestia*)

The entire Soviet economy consists of such disproportions. Within certain limits they are inevitable, since it has been and remains necessary to begin the advance with the most important branches. Nevertheless the backwardness of certain branches greatly decreases the useful operation of others. From the standpoint of an ideal planning directive, which would guarantee not the maximum tempo in separate branches, but the optimum result in economy as a whole, the statistical coefficient of growth would be lower in the first period, but economy as a whole, and particularly the consumer, would be the gainer. In the long run the general industrial dynamic would also gain.

In the official statistics, the production and repair of automobiles is added in with the total of industrial production. From the standpoint of economic efficiency, it would be proper to subtract, not add. This observation applies to many other branches of industry. For that reason, all total estimates in rubles have only a relative value. It is not certain what a ruble is. It is not always certain what hides behind it—the construction of a machine, or its premature breakdown. If, according to an estimate in “stable” rubles, the total production of the big industries has increased by comparison with the pre-war level six times, the actual output of oil, coal and iron measured in tons will have increased 3 to 3½ times. The fundamental cause of this divergence of indices lies in the fact that Soviet industry has created a series of new branches unknown to czarist Russia, but a supplementary cause is to be found in the tendentious manipulation of statistics. It is well known that every bureaucracy has an organic need to doll up the facts.

3. Production Per Capita of the Population

The average individual productivity of labor in the Soviet Union is still very low. In the *best* metal foundry, according to the acknowledgement of its director, the output of iron and steel per individual worker is a third as much as the *average* output of American foundries. A comparison of average figures in both countries would probably give a ratio of 1 to 5, or worse. In these circumstances the announcement that blast furnaces are used “better” in the Soviet Union than in capitalist countries remains meaningless. The function of technique is to economize human labor and nothing else. In the timber and building industries things are even less favorable than in the metal industry. To each worker in the quarries in the United States falls 5000 tons a year, in the Soviet Union 500 tons—that is, $\frac{1}{10}$ as much. Such crying differences are explained not only by a lack of skilled workers, but still more by bad organization of the work. The bureaucracy spurs on the workers with all its might, but is unable to make a proper use of labor power. In agriculture things are still less favorable, of course, than

in industry. To the low productivity of labor corresponds a low national income, and consequently a low standard of life for the masses of the people.

When they assert that in volume of industrial production the Soviet Union in 1936 will occupy the first place in Europe—of itself this progress is gigantic!—they leave out of consideration not only the quality and production cost of the goods, but also the size of the population. The general level of development of a country, however, and especially the living standard of the masses can be defined, at least in rough figures, only by dividing the products by the number of consumers. Let us try to carry out this simple arithmetical operation.

The importance of railroad transport for economy, culture and military ends needs no demonstration. The Soviet Union has 83,000 kilometers of railroads, as against 58,000 in Germany, 63,000 in France, 417,000 in the United States. This means that for every 10,000 people in Germany there are 8.9 kilometers of railroad, in France 15.2, in the United States 33.1, and in the Soviet Union 5.0. Thus according to railroad indices, the Soviet Union continues to occupy one of the lowest places in the civilized world. The merchant fleet, which has tripled in the last five years, stands now approximately on a par with that of Denmark and Spain. To these facts we must add the still extremely low figure for paved highways. In the Soviet Union 0.6 automobiles were put out for every 1,000 inhabitants. In Great Britain, about 8 (in 1934), in France about 4.5, in the United States 23 (as against 36.5 in 1928). At the same time in the relative number of horses (about 1 horse to each 10 or 11 citizens) the Soviet Union, despite the extreme backwardness of its railroad, water and auto transport, does not surpass either France or the United States, while remaining far behind them in the quality of the stock.

In the sphere of heavy industry, which has attained the most outstanding successes, the comparative indices still remain unfavorable. The coal output in the Soviet Union for 1935 was about 0.7 tons per person; in Great Britain, almost 5 tons; in the United States, almost 3 tons (as against 5.4 tons in 1913); in Germany about 2 tons. Steel: in the Soviet Union about 67 kilograms [kg = $2\frac{1}{5}$ lbs. ap.] per person, in the United States about 250 kilograms, etc. About the same proportions in pig and rolled iron. In the Soviet Union 153 kilowatt hours of electric power was produced per person in 1935, in Great Britain (1934) 443, in France 363, in Germany 472.

In the light industries the per capita indices are as a general rule still lower. Of woolen fabric in 1935 less than $\frac{1}{2}$ meter [1 meter = 39.37 in.] per person, or 8 to 10 times less than in the United States or Great Britain. Woolen cloth is accessible only to privileged Soviet citizens. For the masses cotton print, of which about 16 meters per person was manufactured, still has to do for winter clothes. The production of shoes in the Soviet Union now amounts to about one half pair per person, in Germany more than a pair, in France a pair and a half, in the United States about three pairs. And this leaves aside the quality index, which would still further lower the comparison. We may take it for granted that in bourgeois countries the percentage of people who have several pairs of shoes is considerably higher than in the Soviet Union. But unfortunately the Soviet Union also still stands among the first in percentage of barefoot people.

Approximately the same correlation, in part still less favorable, prevails in the production of foodstuffs. Notwithstanding Russia's indubitable progress in recent years, conserves, sausage, cheese, to say nothing of pastry and confections, are still completely inaccessible to the fundamental mass of the population. Even in the matter of dairy products things are not favorable. In France and the United States, there is approximately one cow for every five people, in Germany one for every six, in the Soviet Union one for every eight. But when it comes to giving milk, two Soviet cows must be counted approximately as one. Only in the production of grainbearing grasses, especially rye, and also in potatoes, does the Soviet Union, computing by population, considerably surpass the majority of European countries and the United States. But rye bread and potatoes as the predominant food of the population—that is the classic symbol of poverty.

The consumption of paper is one of the chief indices of culture. In 1935, the Soviet Union produced less than 4 kg. per person, the United States over 34 (as against 48 in 1928), and Germany 47 kg. Whereas the United States consumes 12 pencils a year per inhabitant, the Soviet Union consumes only 4, and those 4 are of such poor quality that their useful work does not exceed that of one good pencil, or at the outside two. The newspapers frequently complain that the lack of primers, paper and pencils paralyzes the work of the schools. It is no wonder that the liquidation of illiteracy, indicated for the 10th anniversary of the October revolution, is still far from accomplished.

The problem can be similarly illumined by starting from more general considerations. The national income per person in the Soviet Union is considerably less than in the West. And since capital investment consumes about 25 to 30 per cent, —incomparably more than anywhere else—the total amount consumed by the popular mass cannot but be considerably lower than in the advanced capitalist countries.

To be sure, in the Soviet Union there are no possessing classes, whose extravagance is balanced by an under consumption of the popular mass. However the weight of this corrective is not so great as might appear at first glance. The fundamental evil of the capitalist system is not the extravagance of the possessing classes, however disgusting that may be in itself, but the fact that in order to guarantee its right to extravagance the bourgeoisie maintains its private ownership of the means of production, thus condemning the economic system to anarchy and decay. In the matter of luxuries the bourgeoisie, of course, has a monopoly of consumption. But in things of prime necessity, the toiling masses constitute the overwhelming majority of consumers. We shall see later, moreover, that although the Soviet Union has no possessing classes in the proper sense of the word, still she has very privileged commanding strata of the population, who appropriate the lion's share in the sphere of consumption. And so if there is a lower per capita production of things of prime necessity in the Soviet Union than in the advanced capitalist countries, that does mean that the standard of living of the Soviet masses still falls below the capitalist level.

The historic responsibility for this situation lies, of course, upon Russia's black and heavy past, her heritage of darkness and poverty. There was no other way out upon the road of progress except through the overthrow of capitalism. To convince yourself of this, it is only necessary to cast a glance at the Baltic countries and Poland, once the

most advanced parts of the czar's empire, and now hardly emerging from the morass. The undying service of the Soviet regime lies in its intense and successful struggle with Russia's thousand-year-old backwardness. But a correct estimate of what has been attained is the first condition for further progress.

The Soviet regime is passing through a *preparatory* stage, importing, borrowing and appropriating the technical and cultural conquests of the West. The comparative coefficients of production and consumption testify that this preparatory stage is far from finished. Even under the improbable condition of a continuing complete capitalist standstill, it must still occupy a whole historic period. That is a first extremely important conclusion which we shall have need of in our further investigation.

CHAPTER II

ECONOMIC GROWTH AND THE ZIGZAGS OF THE LEADERSHIP

1. “Military Communism,” the “New Economic Policy” (NEP) and the Course Toward the Kulak

THE line of development of the Soviet economy is far from an uninterrupted and evenly rising curve. In the first 18 years of the new regime you can clearly distinguish several stages marked by sharp crises. A short outline of the economic history of the Soviet Union in connection with the policy of the government is absolutely necessary both for diagnosis and prognosis.

The first three years after the revolution were a period of overt and cruel civil war. Economic life was wholly subjected to the needs of the front. Cultural life lurked in corners and was characterized by a bold range of creative thought, above all the personal thought of Lenin, with an extraordinary scarcity of material means. That was the period of so-called “military communism” (1918-21), which forms a heroic parallel to the “military socialism” of the capitalist countries. The economic problems of the Soviet government in those years came down chiefly to supporting the war industries, and using the scanty resources left from the past for military purposes and to keep the city population alive. Military communism was, in essence, the systematic regimentation of consumption in a besieged fortress.

It is necessary to acknowledge, however, that in its original conception it pursued broader aims. The Soviet government hoped and strove to develop these methods of regimentation directly into a system of planned economy in distribution as well as production. In other words, from “military communism” it hoped gradually, but without destroying the system, to arrive at genuine communism. The program of the Bolshevik party adopted in March 1919 said: “In the sphere of distribution the present task of the Soviet Government is unwaveringly to continue on a planned, organized and state-wide scale to replace trade by the distribution of products.”

Reality, however, came into increasing conflict with the program of “military communism.” Production continually declined, and not only because of the quenching of the stimulus of personal interest among the producers. The city demanded grain and raw materials from the rural districts, giving nothing in exchange except varicolored pieces of paper, named, according to ancient memory, money. And the muzhik buried his stores in the ground. The government sent out armed workers’ detachments for grain. The muzhik cut down his sowings. Industrial production for 1921, immediately

after the end of the civil war, amounted at most to one fifth of the pre-war level. The production of steel fell from 4.2 million tons to 183,000 tons—that is, to $\frac{1}{23}$ of what it had been. The total harvest of grain decreased from 801 million hundredweight to 503 million in 1922. That was a year of terrible hunger. Foreign trade at the same time plunged from 2.9 billion rubles to 30 million. The collapse of the productive forces surpassed anything of the kind that history had ever seen. The country, and the government with it, were at the very edge of the abyss.

The utopian hopes of the epoch of military communism came in later for a cruel, and in many respects just, criticism. The theoretical mistake of the ruling party remains inexplicable, however, only if you leave out of account the fact that all calculations at that time were based on the hope of an early victory of the revolution in the West. It was considered self-evident that the victorious German proletariat would supply Soviet Russia, on credit against future food and raw materials, not only with machines and articles of manufacture, but also with tens of thousands of highly skilled workers, engineers and organizers. And there is no doubt that if the proletarian revolution had triumphed in Germany—a thing that was prevented solely and exclusively by the Social Democrats—the economic development of the Soviet Union as well as of Germany would have advanced with such gigantic strides that the fate of Europe and the world would today have been incomparably more auspicious. It can be said with certainty, however, that even in that happy event it would still have been necessary to renounce the direct state distribution of products in favor of the methods of commerce.

Lenin explained the necessity of restoring the market by the existence in the country of millions of isolated peasant enterprises, unaccustomed to define their economic relations with the outside world except through trade. Trade circulation would establish a “connection,” as it was called, between the peasant and the nationalized industries. The theoretical formula for this “connection” is very simple: industry should supply the rural districts with necessary goods at such prices as would enable the state to forego forcible collection of the products of peasant labor.

To mend economic relations with the rural districts was undoubtedly the most critical and urgent task of the NEP. A brief experiment showed, however, that industry itself, in spite of its socialized character, had need of the methods of money payment worked out by capitalism. A planned economy cannot rest merely on intellectual data. The play of supply and demand remains for a long period a necessary material basis and indispensable corrective.

The market, legalized by the NEP, began, with the help of an organized currency, to do its work. As early as 1923, thanks to an initial stimulus from the rural districts, industry began to revive. And moreover it immediately hit a high tempo. It is sufficient to say that production doubled in 1922 and 1923, and by 1926 had already reached the pre-war level—that is, had grown more than five times its size in 1921. At the same time, although at a much more modest tempo, the harvests were increasing.

Beginning with the critical year 1923, the disagreements observed earlier in the ruling party on the relation between industry and agriculture began to grow sharp. In a

country which had completely exhausted its stores and reserves, industry could not develop except by borrowing grain and raw material from the peasants. Too heavy “forced loans” of products, however, would destroy the stimulus to labor. Not believing in the future prosperity, the peasant would answer the grain expeditions from the city by a sowing strike. Too light collections, on the other hand, threatened a standstill. Not receiving industrial products, the peasants would turn to industrial labor to satisfy their own needs, and revive the old home crafts. The disagreements in the party began about the question how much to take from the villages for industry, in order to hasten the period of dynamic equilibrium between them. The dispute was immediately complicated by the question of the social structure of the village itself.

In the spring of 1923, at a congress of the party, a representative of the “Left Opposition”—not yet, however, known by that name—demonstrated the divergence of industrial and agricultural prices in the form of an ominous diagram. This phenomenon was then first called “the scissors,” a term which has since become almost international. If the further lagging of industry—said the speaker—continues to open these scissors, then a break between city and country is inevitable.

The peasants made a sharp distinction between the democratic and agrarian revolution which the Bolshevik party had carried through, and its policy directed toward laying the foundations of socialism. The expropriation of the landlords and the state lands brought the peasants upwards of half a billion gold rubles a year. In prices of state products, however, the peasants were paying out a much larger sum. So long as the net result of the two revolutions, democratic and socialistic, bound together by the firm knot of October, reduced itself for the peasantry to a loss of hundreds of millions, a union of the two classes remained dubious.

The scattered character of the peasant economy, inherited from the past, was aggravated by the results of the October revolution. The number of independent farms rose during the subsequent decade from sixteen to twenty-five million, which naturally strengthened the purely consummatory character of the majority of peasant enterprises. That was one of the causes of the lack of agricultural products.

A small commodity economy inevitably produces exploiters. In proportion as the villages recovered, the differentiation within the peasant mass began to grow. This development fell into the old well-trodden ruts. The growth of the kulak² far outstripped the general growth of agriculture. The policy of the government under the slogan “face to the country” was actually a turning of its face to the kulak. Agricultural taxes fell upon the poor far more heavily than upon the well-to-do, who moreover skimmed the cream of the state credits. The surplus grain, chiefly in possession of the upper strata of the village, was used to enslave the poor and for speculative selling to the bourgeois elements of the cities. Bukharin, the theoretician of the ruling faction at that time, tossed to the peasantry his famous slogan, “Get rich!” In the language of theory that was supposed to mean a gradual growing of the kulaks into socialism. In practice it meant the enrichment of the minority at the expense of the overwhelming majority.

Captive to its own policy, the government was compelled to retreat step by step

before the demands of a rural petty bourgeoisie. In 1925 the hiring of labor power and the renting of land were legalized for agriculture. The peasantry was becoming polarized between the small capitalist on one side and the hired hand on the other. At the same time, lacking industrial commodities, the state was crowded out of the rural market. Between the kulak and the petty home craftsman there appeared, as though from under the earth, the middleman. The state enterprises themselves, in search of raw material, were more and more compelled to deal with the private trader. The rising tide of capitalism was visible everywhere. Thinking people saw plainly that a revolution in the forms of property does not solve the problem of socialism, but only raises it.

In 1925, when the course toward the kulak was in full swing, Stalin began to prepare for the denationalization of the land. To a question asked at his suggestion by a Soviet journalist: "Would it not be expedient in the interest of agriculture to deed over to each peasant for ten years the parcel of land tilled by him?," Stalin answered: "Yes, and even for forty years." The People's Commissar of Agriculture of Georgia, upon Stalin's own initiative, introduced the draft of a law denationalizing the land. The aim was to give the farmer confidence in his own future. While this was going on, in the spring of 1926, almost 60 per cent of the grain destined for sale was in the hands of 6 per cent of the peasant proprietors! The state lacked grain not only for foreign trade, but even for domestic needs. The insignificance of exports made it necessary to forego bringing in articles of manufacture, and cut down to the limit the import of machinery and raw materials.

Retarding industrialization and striking a blow at the general mass of the peasants, this policy of banking on the well-to-do farmer revealed unequivocally inside of two years, 1924-26, its political consequences. It brought about an extraordinary increase of self-consciousness in the petty bourgeoisie of both city and village, a capture by them of many of the lower Soviets, an increase of the power and self-confidence of the bureaucracy, a growing pressure upon the workers, and the complete suppression of party and Soviet democracy. The growth of the kulaks alarmed two eminent members of the ruling group, Zinoviev and Kamenev, who were, significantly, presidents of the Soviets of the two chief proletarian centers, Leningrad and Moscow. But the provinces, and still more the bureaucracy, stood firm for Stalin. The course toward the well-to-do farmer won out. In 1926, Zinoviev and Kamenev with their adherents joined the Opposition of 1923 (the "Trotskyists").

Of course "in principle" the ruling group did not even then renounce the collectivization of agriculture. They merely put it off a few decades in their perspective. The future People's Commissar of Agriculture, Yakovlev, wrote in 1927 that, although the socialist reconstruction of the village can be accomplished only through collectivization, still "this obviously cannot be done in one, two or three years, and maybe not in one decade." "The collective farms and communes," he continued, ". . . are now, and will for a long time undoubtedly remain, only small islands in a sea of individual peasant holdings." And in truth at that period only 8 per cent of the peasant families belonged to the collectives.

The struggle in the party about the so-called "general line," which had come to the