

"Five Years of the Russian Revolution and the Prospects of the World Revolution"

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Results of our New Economic Policy.

(Concluded)

I repeat: At that time, in 1921, this was still a vague idea. After we had brought the most important phase of the civil war to an end, and to a victorious end, there came a great—and I believe the greatest—internal political crisis in Soviet Russia; not alone were great masses of the peasantry dissatisfied, but also great masses of workers. What caused this discontent? The cause was that we had gone too far with our economic demands, that we had not secured our base, that the masses felt what we did not yet know how to consciously formulate.

After a very short time we also realized that the direct transition to purely socialist distribution of goods exceeded our powers, that we should break down if we could not find a line of retreat enabling us to confine ourselves to easier tasks.

In the spring of the same year we decided unanimously—I did not observe any great differences on the subject—to adopt the New Economic Policy.

What is the result? Has our line of retreat really benefitted us and saved us? Or is this not the case; is the result indefinite? I believe that this leading question is of the highest importance for all communist parties, for if it is to be answered in the negative, we are all ruined. I believe that we can all reply in the affirmative to this question with an easy conscience. The one-and-a-half years which have passed since that time have positively demonstrated that we have passed this test.

I now pass to the proofs. To do this I must make a brief survey of every part of Russian economics.

First I shall take up the financial system and the famous Russian rouble. I believe that we can call the Russian rouble famous, if for no other reason, than because the number of these roubles now exceeds a quadrillion. That is something in itself. An astronomical figure, I am sure that you do not even all know how much that is.

But from an economic standpoint we do not consider the number of roubles of importance, the noughts can be crossed out. . . . We have already performed wonders in this direction, and I am convinced that during the further course of events we shall perform even greater ones. What is really of importance is the stabilization of our currency. If we succeed in stabilizing the rouble for a long period, and then permanently, we have won. Then these astronomical figures, the trillions and quadrillions are nothing whatever. Then we can establish our economics on solid ground, and practice them on a firm basis.

With regard to this question I believe I am in a position to state rather important and decisive facts. In 1921, the period during which the paper rouble was stabilized lasted less than three months; in 1922, the period has already lasted over five months and the year is not yet ended. I believe that this fact speaks for itself. The figures which I have just stated prove that since last year, when we stood at the beginning of our New Economic Policy, we have learned how to advance. When we have once learned that, I am sure that we shall know how to make further progress, unless we commit some particularly stupid errors.

Thus, although our really systematic and properly formulated economic activity is only commencing now, we have none the less been successful in increasing the period of stabilization from three to five months, so that I think I have a right to say that we can be well satisfied. For we stand alone. We received and still receive, no loans. Not one of these wonderful capitalist states, which have arranged

their capitalist economics to such good purpose that they now do not know where to turn, lends us a helping hand. With the Versailles Peace they have created a financial system which they themselves do not understand. If these wonderful capitalist states carry on their economics in such a manner, then I am sure that we, the backward, the uneducated, may be well satisfied with having known how to accomplish the most important feat,—the stabilization of the rouble. And this is not merely proved theoretically in discussion, it is an actual fact.

I now pass to our social factors. The peasantry is of course the most important. In 1921 the great peasant masses were dissatisfied. After this came the famine, the very hardest trial for the peasantry. And naturally all the foreign countries exclaimed with one voice: We told you so. That is the result of socialist economy. . . . They naturally ascribed the famine to the civil war. All the landowners and the bourgeoisie, who attacked us in 1918, maintained that the famine was the result of the socialist economics. And how is the matter now, after this unusual and unexpected misfortune? It seems to me that the answer lies plainly before us, for the peasantry has not only succeeded in overcoming the famine in one year, but has also delivered up the taxes in kind to such an extent that we have up to now received hundreds of millions of puds, almost without the need of using force. The risings among peasantry, (of common occurrence in Russia up to 1921) have almost completely ceased. We may confidently assert that the peasants are now satisfied with their condition. And we believe that such proofs are much more important than any statistical proofs. The position among the peasantry at the present time is such that we have no fear of any movements against us whatever. It is of course possible that the peasantry may have complaints against or be dissatisfied with our regime, but there is absolutely no thought of any serious complaints against us in the peasantry as a whole.

As regards light industry, I may confidently state that a general improvement is to be noted. This all-round improvement in the position of light industries is accompanied by a distinct improvement of the position of the workers in Petrograd and Moscow. This is less the case in other districts, where heavy industry predominates, and the position is not so favorable.

The third question is the heavy industry. I must say that the position is more difficult here. A slight improvement took place in the year 1921 to 1922. We may thus hope that the near future offers better prospects. We have already collected a part of the requisite means for this purpose. In a capitalist country an improvement of the position of the heavy industry would certainly demand a loan of hundreds of millions. There would be no thought of an improvement otherwise. We have obtained no such loan, we have obtained nothing. Everything which has been written about concessions and so forth is only paper up to now. Despite this we succeeded in making a modest beginning, and our commercial activity has gained for us a certain capital, of about 20 million gold roubles. At any rate a beginning has been made. Our commercial activity gives us the means which we require for the improvement of our heavy industry. But this is still a dream of the future. At present our heavy industry is in a sad condition. But I believe it is of decisive significance that we are able to save something, and that we shall continue to save. It will often enough be at the expense of the population. We are working towards decreasing our state budget, our state apparatus.

I shall say a few words later on the state apparatus. We are aware that without the restoration of heavy industry we have no industry at all. Without the heavy industry we are completely lost as an independent country, this we know. The sole salvation for Russia is not only good crops for the peasantry, not only favourable conditions for light industries. We require the heavy industry. And it will take several decades of work to set it properly going. If we have no heavy industry we are ruined as a civilized country—I will not even speak of a socialist country. And in this respect we have taken the decisive step. The commencement made this year is but small. The sum which we have collected is less than 20,000,000 gold roubles.

I believe I am justified in drawing from the above the general conclusion that the New Economic Policy has already yielded a plus quantity. The proof is already given in that we are in a position to carry on trade as a state, to maintain firm positions in agriculture and industry, and to make progress. Our practical activity proves this.

For five years we have held our power, and we have been at war for almost the whole of the five years. This is comprehensive, as the peasantry as a whole was in our favor. They perceived that behind the Whites stands the landowner, whom they hate beyond anything on earth. But this was nothing much, it was only a question of whether the power should be in the hands of the landowners or of the peasants. That is not enough for us. They comprehend that we have taken over the power for the workers, and that we aim at the development of a socialist state of society by means of this power. For us the most important question has therefore been, economic preparation for applied socialism. We could not take a direct course for this preparation, but have been obliged to take an indirect one.

The state capitalism which we have created is a peculiar one; it does not correspond to the usual conception of state capitalism. We have all the highest positions of command in our hands, we have the land and soil; this belongs to the state. This is most important, though our opponents pretend that it is of no significance. They are entirely wrong. It is very important that the ground belongs to the state; it is also of the greatest practical significance, for economic activity and for other reasons. We have already been successful in rendering our peasantry satisfied, in moving trade and industry. Our state capitalism differs from state capitalism literally understood, in our having not only the ground in the hands of the proletarian state, but all the most important branches of industry. A few small parts only, mostly small and medium industrial undertakings, have been leased by us; everything else remains in our hands. With regard to trade I should like to emphasize that we are endeavouring to found mixed companies, and have already founded such,—that is, companies in which one part of the capital belongs to private capitalists, these being foreigners, and the other part to us. In the first place this gives us an opportunity to learn what we need to do if we are to carry on trade, and in the second place we always possess the power of dissolving the company, so that we risk nothing, so to speak. There is no doubt that we have committed an enormous number of foolish errors, and will doubtless commit more. Nobody can judge of that better or more objectively than I. . . . Why do we commit these foolish errors? This is comprehensible: 1. we are a backward country; 2. education is at a minimum; 3. we are without help. No civilized country helps us; on the contrary, they all work against us; 4. there is the question of the state apparatus. We took over the old state apparatus. But that was our misfortune. As a matter of fact it often happens that at the top where we possess state power, the state apparatus functions well; but further down the machinery works against us. Here nothing can be done in a short time, that is certain. Here we must work for several years, to perfect the apparatus, and to develop new life forces which we must bring into it. We are doing this at a fairly rapid pace, perhaps too rapid. Soviet schools and

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