

It would be astonishing indeed if those least favored in the plan did not persuade themselves that, if they controlled the state, they could plan the economy with greater satisfaction to themselves and therefore with an even more incorruptible wisdom.

These questions of advantage arise out of the variety of life itself. They spring up in any society, capitalist or communist. But since a communist society is politically administered, and highly centralized in all vital matters, the social conflict is concentrated in the field of politics. Because everything is decided politically, all conflict becomes political, and the possession of power becomes the key to all other possessions.

In short, communism, when it abolishes private property in productive capital, establishes a new kind of property in the public offices which manage the collective capital. The commissars replace the capitalists, exercising the same powers or greater ones, enjoying the same social privileges or greater ones, and though their money incomes may be less, their luxuries less florid, they have everything that could tempt the less favored to envy them, to challenge them, and to strive to replace them. The social situation and the psychological mechanism which exist to-day, and which according to communist theory divide society into antagonistic classes, remain intact in the communist order. The only difference is that whereas under capitalism social advantages give political power, under communism political power gives social advantages. Thus the struggle for wealth is transmuted into a struggle for power, and the party of Stalin puts to death the partisans of Trotzky.

### *6. The Communist Reality*

This analytical examination of the contradictions in the communist theory suggests that we must look somewhere else than

in the official doctrine for the working principles of the Russian planned economy. It is not possible to understand the practical government of the Russian state by studying the Marxian dogmas. The dogmas accompany the action. But like the songs that soldiers sing when they go to war, the doctrines do not disclose the strategy of the high command.

That there is some kind of radical cleavage between the Marxian theory and the historic Soviet state is most readily visible in the fact that before 1917 no orthodox Marxist could have imagined that Russia would be the first communist society. It had been laid down in the theory that communism must appear first in the most highly industrialized countries. Although some attempts have been made to explain away this discrepancy, there can be no doubt that Marx and all his followers up to the Russian Revolution thought that capitalism would develop gigantic monopolies and that socialism would come through their nationalization. The new order was supposed to be developing as an embryo within the old order, and the dictatorship of the revolutionary proletariat was to be "the midwife," as Marx puts it, of "an old society pregnant with a new one." But when it came to the historic test, the oldest capitalist societies, like England, Belgium, Germany, and the United States, were not pregnant and could not be delivered, whereas agrarian Russia, with its feeble and semi-colonial industries, gave birth to communism.<sup>18</sup>

This contradiction between the prophecy and the event is extremely significant. It not only shows that communism is

<sup>18</sup> Cf. *Encyclopedia of the Social Sciences* (Vol. XIII, p. 478), article on "Russian Revolution": "Unlike the Western countries, Russia did not experience the comparatively slow transition from a handicraft economy through the factory system to full-fledged industrialism. There was consequently little correlation between the base of the Russian economy, which comprised a rather primitive agriculture and peasant handicraft, and the modern industrial giants at the top, which had been built up with the aid of government subsidies and investments of foreign capital."

not a necessary development out of capitalism, as all good communists used to believe, but it indicates that communism, as it has appeared in Russia, may be fundamentally unrelated to the evolution of capitalism, that it may have its roots in a wholly different set of circumstances.

There is fairly good reason for thinking that on the eve of his conquest of the Russian state, Lenin held the orthodox Marxian view that the new order must already exist, preformed within the old one. Thus in his treatise on *State and Revolution*, written between July and October, 1917, Lenin said that "the bookkeeping and control necessary for this have been simplified by capitalism to the utmost, till they have become the extraordinarily simple operations of watching, recording and issuing receipts, within the reach of anybody who can read and write and knows the first four arithmetical rules."<sup>19</sup> Lenin's slogan before the seizure of power was: "Under a Soviet government, state capitalism constitutes three-quarters of socialism" — the idea being that the proletarian dictators would control the organization which capitalism had already created. He thought this could be done by nationalizing the banks on the theory that capitalist industry is itself controlled by the banks. He took this step in December 1917, hoping "that in this way the Soviet government might gain control of the entire capitalist economic system without destroying its internal organization."<sup>20</sup>

But within a year, by the summer of 1918, Lenin knew that this method of realizing communism had failed, that the Marxian theory of the old order, pregnant with the new, did not hold in Russia. The bolshevik explanation is that in 1918 civil war broke out in Russia and that the capitalistically-minded managers could not be trusted while the Soviets were

<sup>19</sup> *Op. cit.*, p. 205.

<sup>20</sup> Boris Brutzkus, *Economic Planning in Soviet Russia*, p. 100.

at war with armies organized by the capitalist class. Professor Brutzkus, on the other hand, while conceding that this explanation has weight, maintains that it is not the whole explanation, that capitalist industry was paralyzed from the moment of the Revolution when the masses were incited to "rob the robber" and the bourgeoisie lost all security not only in their property but in their lives. Either explanation or both may be true: the essential point is that the fundamental prophecy of Marx did not come true. Communism did not come into the world as a development of the maturity of capitalism in Russia; it did not develop from the capitalism existing there but had deliberately to be fabricated on its ruins.

This is, I believe, a crucial point in any effort to understand the inwardness of the communist regime. The circumstance which compelled Lenin to depart from the Marxian idea of controlling the economy organized by capitalists, and to adopt the idea of organizing a new economy, was the civil and international war which broke out in July 1918 and lasted until November 1920.

It was in the interval known officially as the period of "war communism"<sup>21</sup> that the fundamental principle of the planned economy was adopted because, as Lenin put it in January 1920, "the centralization of the national economic administration is the principal means at the disposal of the victorious proletariat for developing the productive forces of the country." The means was a centralized administration, the end was the support of the Red army in a defensive war on many fronts and also in an offensive war against Poland.

At the critical period of this war the Russian Soviet state was practically surrounded by enemies. There were German and Austrian troops in the Ukraine, a White army in the

<sup>21</sup> The civil war ended in Nov. 1920; the period of war communism ended in March 1921.

Caucasus, a Czech army in Siberia and the Urals, an Allied army, Japanese and American, at Vladivostok, a British, French, and American army at Archangel, French naval forces in the Black Sea ports, and then, within this ring, the counter-revolutionary armies of Kornilov, Denikin, Yudenich, Wrangel, and Kolchak. Red Russia was cut off not only from the outer world but from the Russian regions which produced wheat, meat, coal, and oil. In this desperate struggle the communists had to create an army and supply it.

These were the circumstances under which the primary institutions of the planned society were established: the centralized administration, the dictatorship and the terror, the planning of production, the conscription of labor, and the rationing of consumption. These are the familiar features, not merely of communism, but of all modern national war economies. It is highly significant that Lenin was driven to a dictated collectivism because he had to fight a war, that he had not intended to bring in communism in this way until he was forced to fight a war. What he created under the compulsion of events was not a Marxian state but a military state. No doubt the Marxist aspiration and ideology reënforced the morale of the people, as the Wilson ideology reënforced the Allied morale in 1917, as the fascist ideology reënforces German and Italian morale. But the directing purpose of the planning and of its execution was not the Marxian promise but grim military necessity. Any Russian regime compelled to fight such a war would have had to adopt essentially the same political and economic organization.

This brings us to the question of whether in its subsequent development Russian collectivism has continued to be predominantly military in its aims and its methods. To prove that it has been, the argument must go deeper and must show that the purpose which has dominated the fundamental decisions of

those who have planned the Russian economy is a military purpose, that the economy is organized not to improve the popular standard of life as rapidly as possible but to make Russia a formidable military power.

The proof is to be found in the fact that the two Five-Year Plans have had as their primary objective the creation of heavy industries in the strategically invulnerable part of Russia, and that to finance this industrial development the Russian people have been subjected to years of forced privation. If the primary purpose of these Plans was the improvement of the standard of life, can it be seriously argued that the erection of steel plants would have been put ahead of the manufacture of clothes, that food would have been exported while the people went hungry in order to buy machinery to make goods which could have been bought direct at cheaper prices? No doubt the idealists believe that in giving the people steel instead of bread they are creating for the future a self-sufficient industrial system on the socialist pattern. But why was it necessary to make Soviet Russia self-sufficient? Why was it necessary to aim at self-sufficiency even in the years when Germany and most of Central Europe were ruled by social democrats? Because, as the communists have repeatedly insisted, they have lived in dread of an "imperialist" war. In other words, they did not choose steel rather than bread in order to prove that communism could do anything that capitalism could do; they chose steel because they wished to be self-sufficient as against a military blockade.

I do not mean to argue that they have not done many incidental things which are not military in origin. But I think it is evident that the fundamental decision as to the form of the political state, the plan of the economy, the determining policies of the regime, are what they are because Russia has been preparing for war on her European and on her Asiatic frontiers.

### *7. Collectivism a War Economy*

If this analysis is correct, then it has been demonstrated that the totalitarian states, whether of the fascist or the communist persuasion, are more than superficially alike as dictatorships, in the suppression of dissent, and in operating planned and directed economies. They are profoundly alike. For they have the identic controlling principle, which is the militarization of a people to the maximum degree. That the fascists and the communists hate each other and regard their respective doctrines as antithetical does not impair the generalization that they are both organizing for war. Their hatred merely supports the generalization: it means that they have developed not only the weapons but the will to fight the war.

We may go further and say that, though the planned economy is proposed as a form of social organization which will provide peace and plenty, thus far in all its concrete manifestations it has been associated with scarcity and war. From 1914 to 1918 all the belligerents were driven step by step into a planned and politically directed economy. The bolsheviks, as we have seen, were driven into it by the civil and international war they were forced to fight. They have continued with it under the Five-Year Plans, which, in their strategy and in the order of their priorities, are fundamentally military. The fascists have adopted collectivism, more or less frankly proclaiming their intent to solve their social problems by developing their military power. In all the nations which are still democratic and capitalistic, plans are drawn for their rapid transformation into totalitarian states. The only difference is that these plans are not described as schemes of social reconstruction. They are called more candidly plans of rearmament and mobilization, and they are drawn up in War Colleges, Committees of Imperial Defense, in General Staffs and Naval Boards.

That, I believe, is where all planned economies have originated and must in the very nature of things originate. For it can be demonstrated, I am confident, that there is only one purpose to which a whole society can be directed by a deliberate plan. That purpose is war, and there is no other.