

# Economics and Politics During the Period of Transition

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I had intended to write a short pamphlet on this subject for the second anniversary of the establishment of the Soviet Power. Pressure of work has prevented me from getting beyond the preliminary preparation of the material. Therefore I have decided to discuss quite briefly, and in compact form, what I consider to be the most essential points of the subject. The briefest form has many drawbacks, but a condensed newspaper article may perhaps lend itself to discussion by Communists of all lands.

**I.—The Inevitability of a Transition Period**  
Theoretically there is no doubt that there must be a transition period between Capitalism and Communism. It is inevitable that this period should have the characteristics of both social orders.

It is inevitable that the transition period should be a period of struggle between the dying Capitalism and the newly-born Communism, or, in other words, between the vanquished, but not destroyed Capitalism, and the newly-born, but as yet weak, Communism.

The inevitability of an entire historic period, bearing these transitional characteristics, must be quite clear not only to Marxists, but to every educated person, more or less acquainted with the theory of development. Nevertheless, all the reasonings and discussions on the transition to Socialism by contemporary representatives of the small-bourgeois democracy show a complete disregard of this obvious truth. In spite of their supposed Socialist label, all the representatives of the Second International, including MacDonald, Jean Longuet, Kautski and Friedric Adler belong ideologically to the small-bourgeois democracy.

It is characteristic of the small-bourgeois democrats to abhor the class struggle, to endeavor to devise means to avoid it, and to aim at conciliation and at smoothing and rounding off all sharp angles. For this reason such democrats either refuse to recognize the entire historic transition period from Capitalism to Communism, or consider it their duty to invent plans for the conciliation of both warring forces, instead of assuming the leadership of one of them.

## II.—Russian Peculiarities do not Alter Essential Forms

In Russia the dictatorship of the proletariat must inevitably differ in some respects from that of the predominant countries, owing to the backwardness and small-bourgeois character of our country. But the fundamental forces and forms of national economy are the same in Russia as in every other capitalist country, and therefore certain peculiarities of the Russian struggle do not alter essentials.

These fundamental forms of social economy are Capitalism, small industrial production and Communism. These fundamental forces are: the bourgeoisie, the small-bourgeoisie (especially the peasantry), and the proletariat.

The economy of Russia in the period of proletarian dictatorship represents the first steps of communistically united labor towards pitting united mass production against small private enterprise, and against the still lingering capitalism which is behind it.

### How Far Russian Labor is United

Labor in Russia, to-day, is communistically united precisely to the extent in which:

- (1) Private property for productive purposes has been abolished;
- (2) The State is organizing mass production on a national scale on State lands and in State enterprises, and is distributing labor power among the various departments of National Economy, and State produce among the workers.

We speak of the "first steps" of Communism in Russia (see our program adopted in March, 1919), in view of the fact that all these conditions have been only partially achieved, or, in other words, that the realization of these conditions is only in its initial stage. What can be achieved at once by a revolutionary act, has been achieved at once; for instance, between the 26th October, 1917, and the 8th November, 1917, all private land ownership was abolished, and the big land-owners were expropriated without compensation. In the course of a few months all the big capitalists, owners of factories, workshops, companies, banks, railways and so on were also expropriated without compensation. State organization of industrial production on a large scale, the transition from workers' control to workers' management of factories, workshops and railways, has, in its main and fundamental lines, already been accomplished.

### Agricultural Organization in its Initial Stages.

In the agricultural domain, on the other hand, the process is as yet in its initial stage. Various forms of small agriculturists' associations have also been formed as a preliminary to an organization on purely Communist lines. This work is also as yet in the initial stage. The same may be said of the State organization of distribution which is taking the place of the private trader, the State storage and delivery of cereals

The number of Soviet Economic Councils and Agricultural Communes in Soviet Russia aggregates 2,538 and 1,561 respectively; there are also 2,396 agricultural articles (companies or squads). Our Central Statistical Department is engaged at present on the compilation of exact and complete lists of all Soviet Economic Councils and Communes.

to the towns, and of manufactured goods to the villages.

### Capitalism Still Flourishes Among the Peasants.

Peasant production and distribution is still conducted as private trade. The capitalist system in that domain is very deep and widespread, and there capitalism is preserved and continually resuscitated in its fierce struggle with Communism.

The struggle manifests itself in:—  
(1) Illicit trading, "meatchnitchevo," as we call it, a name derived from the word "mestok," a sack or bag.

(2) Speculation directed as an attack upon State storage of cereals and State distribution.

### III.—Communism Gradually Triumphant Over Capitalism.

Let us take concrete examples in order to illustrate these abstract, theoretical formulas. According to the statistics of the "Comprod" (i.e., the Commissariat of Supplies) the State collected and stored from August 1, 1917, to August 1st, 1918; about thirty million poods (a pood is 36 English pounds) of corn. In the following year the State stored about 110,000,000 poods. In the three corresponding months of the year 1919 to 1920, the supplies have reached the figure of 45,000,000 poods, as compared with 37,000,000 poods in the corresponding months in 1918.

These figures show clearly a slow, but steady improvement and a triumph of Communism over Capitalism. This improvement has been obtained in spite of almost insuperable difficulties caused by the civil war, which Russian and foreign capitalists are engineering against the Workers' Republic, using all the resources of the world's mightiest powers.

### The Proletarian Dictatorship Assured.

Therefore, notwithstanding the lies and calumnies of the bourgeoisie of all lands and of their avowed or unavowed helpers, the "Socialists" of the Second International, the fact remains that, as far as the economic problem is concerned, the victory of proletarian dictatorship, of Communism over Capitalism, is assured. The bourgeoisie of the whole world is infuriated against Bolshevism, against which it organizes military attacks and conspiracies, so far as the reconstruction of the Social Order is concerned, fully aware that our victory is inevitable, unless we are crushed by military might. It is certain that the bourgeoisie will not succeed in crushing us.

How far we have already beaten Capitalism is shown in the following table of the Central Statistical Department on the production and consumption of cereals, not in the whole of Soviet Russia, but in 26 of her provinces (gubernii):

PRODUCTION, DISTRIBUTION, AND CONSUMPTION OF CEREALS IN 26 PROVINCES.

Producing Provinces—	1	2	3	4	5	6
Towns.....	4.4	—	20.9	20.0	41.5	9.6
Villages....	28.6	625.4	—	—	481.8	18.9
Towns.....	5.9	—	20.0	20.0	40.0	6.8
Villages....	13.8	114.0	12.1	27.3	151.4	11.0
Totals.....	62.7	739.4	53.0	65.4	741.7	38.6

1. Population (millions).
  2. Production of cereals, not including seeds and forage (million poods).
  3. Delivered by the Comprod (million poods).
  4. Delivered by illicit traders (million poods).
  5. Total quantity of cereals at the disposal of the population (million poods).
  6. Consumption of cereals per person (poods).
- State Supplies Half, Illicit Traders Half.  
Thus the Comprod (Commissariat of Supply) provides the towns with nearly one half the supplies, and the illicit traders supply the other half. These figures have been arrived at after a minute examination of food conditions of town workers in 1918. It must be borne in mind that corn supplied by the State is ten times cheaper than that supplied by private traders. This statement is based on a thorough examination of workers' budgets.

An earnest consideration of these statistics will provide the investigator with material explaining the fundamental characteristics of present-day Russian economics.

The Russian workers have been liberated at last from the age-long exploitation and oppression of landowners and capitalists. This step forward to real freedom and equality, a step in the world's history, is ignored by the parasites of capitalism. Amongst these are the small bourgeois democrats who talk of liberty and equality in the sense of bourgeois parliamentary democracy, which they wrongly declare to be democracy in general, or, as Kautsky says, "pure democracy."

The workers who appreciate the importance of real equality and freedom, the freedom from the domination of landowners and capitalists because they have suffered under it, stand firm for the Soviet power.

In a country of peasants those who benefited most and at once by the dictatorship of the proletariat were the peasants in general. Under the rule of the landowners and capitalists the Russian peasant was hungry. Never in the whole course of Russian history has the peasant been able to work for himself. He went hungry while he delivered hundreds of millions poods of corn to the capitalists for our towns and for exports abroad. Under the dictatorship of the proletariat the peasant worked for himself

for the first time, and fed better than the town dweller. For the first time the peasant beheld real, actual freedom: freedom to eat his own produce, freedom from hunger. It is already known that equality in the division of land has been established on a maximalist basis—in the majority of the cases the peasants divide the land according to the number of persons to be fed.

### SOCIALISM ENTAILS THE ABOLITION OF CLASSES.

In order to abolish social classes one must first overthrow the landowners and capitalists. We have accomplished this part of the task, but that is only a part, and not the most difficult part of our stupendous labor. In order to abolish classes one must, in the second place, abolish the difference between the worker and the peasant, and one must make all the people—workers. This cannot be done in a hurry. It is a much harder task than the first, and will consequently, take much longer to accomplish.

It is a task which cannot be solved by the overthrow of any one class. It can only be solved by a constructive remodelling of the entire social economy, by a transition from an individual, a small, private trading economy, to a social economy on a large scale. Such a transition must necessarily be a lengthy process, and it would only be retarded and hampered by hasty and imprudent administrative and legislative measures. This transition can only be accelerated by helping the peasant to remodel the entire system.

In order to accomplish the second and more difficult task, the proletariat, having conquered the bourgeoisie, must unwaveringly pursue the following line of policy with regard to the peasantry: the proletariat must distinguish between the working peasant and the peasant owner, the peasant trader and the peasant speculator. The be-all and end-all of Socialism lies in this distinction.

It is therefore not surprising that those who render lip service to Socialism, but act like small-bourgeois democrats, fail to understand this essential of Socialism.

To arrive at the above mentioned distinction is by no means easy, because in real life, all the characteristics of the "peasant," no matter how various and contradictory they may be, form one big whole. Nevertheless, the distinctions are there. They are the inevitable outcome of the conditions of peasant economy and peasant life. The working peasant has been oppressed for centuries, the speculators and the capitalist states, including the most democratic republics. The working peasant has nurtured within himself hatred and enmity towards these age-long oppressors and exploiters, and these lessons, taught by life itself, compel the peasant to seek an alliance with the workers against the capitalist, the speculator and the trader. At the same time, the entire economic structure, which makes the peasant dependent on goods received from outside, tends to turn him (not always, but in the majority cases) into a trader and speculator.

The peasant, who in 1918-1919 provided the hungry town workers with 40 million poods of corn at the fixed government price, by handing it over to the state organizations, is a true working peasant and a comrade of the Socialist worker. He is the latter's most reliable ally, and his brother in the fight against the capitalist yoke. On the other hand, the peasant who sold surreptitiously 40 million poods of corn at a price ten times higher than the government price, who took advantage of the needs and the hunger of the town worker, who cheated the state, and increased or created everywhere fraud, robbery and scoundrelly transactions, is a peasant profiteer, an ally of the capitalists, a class enemy of the worker and an exploiter. Only an exploiter of the hungry people can speculate with the surplus corn from state lands with the help of implements produced by the labor of town workers.

### THERE IS NO EQUALITY OF THE HUNGARY AND THE WELL FED

"You are the destroyers of liberty, equality, democracy"—is the cry raised from all sides against us. Our detractors point to the inequality, as between the worker and the peasant, in our constitution, to the dispersal of the Constituent Assembly, to the forcible requisitions of surplus corn. Our answer to these accusations is that no other state in the whole world had done so much for the removal of the real inequalities and of the real lack of freedom which for centuries had been the lot of the working peasant. We do not and will never recognize equality with the peasant speculator. We do not recognize the equality of the exploiter with the exploited, of the hungry with the well-fed and the "freedom" of the former to rob the latter. And we shall deal with those highly educated people who do not understand this difference, as if they were White Guards, even if they call themselves Democrats, Socialists, Internationalists, Kautskys, Tchernovs, and Martovs.

(To be continued)