

The Impending Catastrophe and How to Combat It

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Famine Is Approaching

Unavoidable catastrophe is threatening Russia. The railways are incredibly disorganised and the disorganisation is progressing. The railways will come to a standstill. The delivery of raw materials and coal to the factories will cease. The delivery of grain will cease. The Capitalists are deliberately and unremittingly sabotaging (damaging, stopping, disrupting, hampering) production, hoping that an unparalleled catastrophe will mean the collapse of the republic and democracy, and of the Soviets and proletarian and peasant associations generally, thus facilitating the return to a monarchy and the restoration of the unlimited power of the bourgeoisie and the landowners.

The danger of a great catastrophe and of famine is imminent. All the newspapers have written about this time and again. A tremendous number of resolutions have been adopted by the parties and by the Soviets of Workers', Soldiers' and Peasants' Deputies—resolutions which admit that a catastrophe is unavoidable, that it is very close, that extreme measures are necessary to combat it, that "heroic efforts" by the people are necessary to avert ruin, and so on.

Everybody says this. Everybody admits it. Everybody has decided it is so.

Yet nothing is being done.

Six months of revolution have elapsed. The catastrophe is even closer. Unemployment has assumed a mass scale. To think that there is a shortage of goods in the country, the country is perishing from a shortage of food and labour, although there is a sufficient quantity of grain and raw materials, and yet in such a country, at so critical a moment, there is mass unemployment! What better evidence is needed to show that after six months of revolution (which some call a great revolution, but which so far it would perhaps be fairer to call a rotten revolution), in a democratic republic, with an abundance of unions, organs and institutions which proudly call themselves "revolutionary democratic", absolutely *nothing* of any importance has actually been done to avert catastrophe, to avert

famine? We are nearing ruin with increasing speed. The war will not wait and is causing increasing dislocation in every sphere of national life.

Yet the slightest attention and thought will suffice to satisfy anyone that the ways of combating catastrophe and famine are available, that the measures required to combat them are quite clear, simple, perfectly feasible, and fully within reach of the people's forces, and that these measures are not being adopted *only* because, *exclusively* because, their realisation would affect the fabulous profits of a handful of landowners and capitalists.

And, indeed, it is safe to say that every single speech, every single article in a newspaper of any trend, every single resolution passed by any meeting or institution quite clearly and explicitly recognises the chief and principal measure of combating, of averting, catastrophe and famine. This measure is control, supervision, accounting, regulation by the state, introduction of a proper distribution of labour-power in the production and distribution of goods, husbanding of the people's forces, the elimination of all wasteful effort, economy of effort. Control, supervision and accounting are the prime requisites for combating catastrophe and famine. This is indisputable and universally recognised. And it is just what is *not being done* from fear of encroaching on the supremacy of the landowners and capitalists, on their immense, fantastic and scandalous profits, profits derived from high prices and war contracts (and, directly or indirectly, nearly everybody is now "working" for the war), profits about which everybody knows and which everybody sees, and over which everybody is sighing and groaning.

And absolutely nothing is being done to introduce such control, accounting and supervision by the state as would be in the least effective.

Complete Government Inactivity

There is a universal, systematic and persistent sabotage of every kind of control, supervision and accounting and of all state attempts to institute them. And one must be incredibly naïve not to understand, one must be an utter hypocrite to pretend not to understand, where this sabotage comes from and by what means it is being carried on. For this sabotage by the bankers and capitalists, their *frustration* of every kind of control, supervision and accounting, is being adapted to the state forms of a democratic republic, to the existence of "revolutionary-democratic" institutions. The capitalist gentlemen have learnt very well a fact which all supporters of scientific socialism profess to recognise but which the Mensheviks and Socialist-Revolutionaries tried to forget as soon as their friends had secured cushy jobs as ministers, deputy ministers, etc. That fact is that the economic substance of capitalist exploitation is in no wise affected by the substitution of republican-democratic forms of government for monarchist forms, and that, consequently, the reverse is also true—only the *form* of the struggle for the inviolability and sanctity of capitalist profits need be changed in order

to uphold them under a democratic republic as effectively as under an absolute monarchy.

The present, modern republican-democratic sabotage of every kind of control, accounting and supervision consists in the capitalists “eagerly” accepting in words the “principle” of control and the necessity for control (as, of course, do all Mensheviks and Socialist-Revolutionaries), insisting only that this control be introduced “gradually”, methodically and in a “state-regulated” way. In practice, however, these specious catchwords serve to conceal the *frustration* of control, its nullification, its reduction to a fiction, the mere playing at control, the delay of all business-like and practically effective measures, the creation of extraordinarily complicated, cumbersome and bureaucratically lifeless institutions of control which are hopelessly dependent on the capitalists, and which do absolutely nothing and cannot do anything.

So as not to trot out bald statements, let us cite witnesses from among the Mensheviks and Socialist-Revolutionaries, i.e., the very people who had the majority in the Soviets during the first six months of revolution, who took part in the “coalition government” and who are therefore politically responsible to the Russian workers and peasants for winking at the capitalists and allowing them to frustrate all control.

Izvestia TsIK (i.e., the newspaper of the Central Executive Committee of the All-Russia Congress of Soviets of Workers’, Soldiers’ and Peasants’ Deputies), the official organ of the highest of the so-called “fully authorised” (no joke!) bodies of “revolutionary” democracy, in issue No. 164, of September 7, 1917, printed a *resolution* by a special control organisation created and run by these very Mensheviks and Socialist-Revolutionaries. This special institution is the Economic Department of the Central Executive Committee. Its resolution officially records as a fact “*the complete inactivity of the central bodies set up under the government for the regulation of economic life*”.

Now, how could one imagine any more eloquent testimony to the collapse of the Menshevik and Socialist-Revolutionary policy than this statement signed by the Mensheviks and Socialist-Revolutionaries themselves?

The need for the regulation of economic life was already recognised under tsarism, and certain institutions were set up for the purpose. But under tsarism economic chaos steadily grew and reached monstrous proportions. It was at once recognised that it was the task of the republican, revolutionary government to adopt effective and resolute measures to put an end to the economic chaos. When the “coalition” government was formed with the Mensheviks and Socialist-Revolutionaries participating, it promised and undertook, in its most solemn public declaration of May 6, to introduce state control and regulation. The Tseretelis and Chernovs, like all the Menshevik and Socialist-Revolutionary leaders, vowed and swore that not only were they responsible for the government, but that the “authorised bodies of revolutionary democracy” under their control actually kept an eye on the work of the government and verified its activities.

Four months have passed since May 6, four long months, in which Russia has sacrificed the lives of hundreds of thousands of soldiers for the sake of the absurd imperialist “offensive”, in which chaos and disaster have been advancing in seven-league strides, in which the summer season afforded an exceptional opportunity to do a great deal in the matter of water transport, agriculture, prospecting for minerals, and so on and so forth—and after four months the Mensheviks and Socialist-Revolutionaries have been obliged officially to admit the “complete inactivity” of the control institutions set up under the government!!

And these Mensheviks and Socialist-Revolutionaries, with the serious mien of statesmen, now prate (I am writing this on the very eve of the Democratic Conference of September 12¹ that matters can be furthered by replacing the coalition with the Cadets by a coalition with commercial and industrial Kit Kityches² the Ryabushinskys, Bublikovs, Tereshchenkos and Co.

How, one may ask, are we to explain this astonishing blindness of the Mensheviks and Socialist-Revolutionaries? Are we to regard them as political babes in the wood who in their extreme foolishness and naëveté do not realise what they are doing and err in good faith? Or does the abundance of posts they occupy as ministers, deputy ministers, governors-general, commissars and the like have the property of engendering a special kind of “political” blindness?

On Lenin’s proposal, the Central Committee of the Party decided that the Bolsheviks should withdraw from the pre-parliament. Only the capitulators Kamenev, Rykov and Ryazanov, who were against the Party’s course for the socialist revolution, insisted on participation in the pre-parliament. The Bolsheviks exposed the treacherous activity of the pre-parliament as they trained the people for an armed uprising.

Control Measures Are Known To All and Easy To Take

One may ask: aren’t methods and measures of control extremely complex, difficult, untried and even unknown? Isn’t the delay due to the fact that although the statesmen of the Cadet Party, the merchant and industrial class, and the Menshevik and Socialist-Revolutionary parties have for six months been toiling in the sweat of their brow, investigating, studying and discovering

¹ *The All-Russia Democratic Conference* was held in Petrograd between September 14 and 22 (September 27–October 5), 1917. It was called by the Mensheviks and Socialist-Revolutionaries to stem the rising tide of the revolution. The delegates represented petty-bourgeois parties, the compromising Soviets, the trade unions, Zemstvos, commercial and industrial circles, and troop units. The Bolsheviks attended with the aim of exposing the designs of the Mensheviks and S.R.s. The conference elected a pre-parliament (Provisional Council of the Republic) through which the Mensheviks and S.R.s hoped to check the revolution and divert the country on to the track of a bourgeois parliamentary system.

² *Kit Kitych* (literally, Whale Whaleson)—nickname of Tit Titych, a rich merchant in Alexander Ostrovsky’s comedy *Shouldering Another’s Troubles*. Lenin applies the nickname to capitalist tycoons.

measures and methods of control, still the problem is incredibly difficult and has not yet been solved?

Unfortunately, this is how they are trying to present matters to hoodwink the ignorant, illiterate and downtrodden muzhiks and the Simple Simons who believe everything and never look into things. In reality, however, even tsarism, even the “old regime”, when it set up the War Industries Committees³ *knew* the principal measure, the chief method and way to introduce control, namely, by uniting the population according to profession, purpose of work, branch of labour, etc. But tsarism *feared* the union of the population and therefore did its best to restrict and artificially hinder this generally known, very easy and quite practical method and way of control.

All the belligerent countries, suffering as they are from the extreme burdens and hardships of the war, suffering—in one degree or another—from economic chaos and famine, have long ago outlined, determined, applied and tested a *whole series* of control measures, which consist almost invariably in uniting the population and in setting up or encouraging unions of various kinds, in which state representatives participate, which are under the supervision of the state, etc. All these measures of control are known to all, much has been said and written about them, and the laws passed by the advanced belligerent powers relating to control have been translated into Russian or expounded in detail in the Russian press.

If our state really *wanted* to exercise control in a business like and earnest fashion, if its institutions had not condemned themselves to “complete inactivity” by their servility to the capitalists, all the state would have to do would be to draw freely on the rich store of control measures which are already known and have been used in the past. The only obstacle to this—an obstacle concealed from the eyes of the people by the Cadets, Socialist-Revolutionaries and Mensheviks—was, and still is, that control would bring to light the fabulous profits of the capitalists and would cut the ground from under these profits.

To explain this most important question more clearly (a question which is essentially equivalent to that of the programme of *any* truly revolutionary government that would wish to save Russia from war and famine), let us enumerate these principal measures of control and examine each of them.

We shall see that all a government would have had to do, if its name of revolutionary-democratic government were not merely a joke, would have been

³The *War Industries Committees*, which came into being in May 1915, were formed by Russia’s big imperialist bourgeoisie to help the tsarist regime with the war. The chairman of the Central War Industries Committee was the Octobrist leader A. I. Guchkov, a big capitalist. Among its members were the manufacturer A. I. Konovalov and the banker and sugar manufacturer M. I. Tereshchenko. In an effort to bring the workers under its sway and inspire them with defencist sentiments, the bourgeoisie decided to form “workers’ groups” under the committees and thereby to show that “class peace” had been established between the bourgeoisie and the proletariat of Russia. The Bolsheviks declared a boycott of the committees, and maintained it with support from the majority of the workers.

to decree, in the very first week of its existence, the adoption of the principal measures of control, to provide for strict and severe punishment to be meted out to capitalists who fraudulently evaded control, and to call upon the population itself to exercise supervision over the capitalists and see to it that they scrupulously observed the regulations on control—and control would have been introduced in Russia long ago.

These principal measures are:

1. Amalgamation of all banks into a single bank, and state control over its operations, or nationalisation of the banks.
2. Nationalisation of the syndicates, i.e., the largest, monopolistic capitalist associations (sugar, oil, coal, iron and steel, and other syndicates).
3. Abolition of commercial secrecy.
4. Compulsory syndication (i.e., compulsory amalgamation into associations) of industrialists, merchants and employers generally.
5. Compulsory organisation of the population into consumers' societies, or encouragement of such organisation, and the exercise of control over it.

Let us see what the significance of each of these measures would be if carried out in a revolutionary-democratic way.

As a result of the Bolsheviks' explanatory work, elections to the "workers' groups" took place only in 70 out of the 239 regional and local War Industries Committees, workers' representatives being elected to only 36 Committees.

Nationalisation of the Banks

The banks, as we know, are centres of modern economic life, the principal nerve centres of the whole capitalist economic system. To talk about "regulating economic life" and yet evade the question of the nationalisation of the banks means either betraying the most profound ignorance or deceiving the "common people" by florid words and grandiloquent promises with the deliberate intention of not fulfilling these promises.

It is absurd to control and regulate deliveries of grain, or the production and distribution of goods generally, without controlling and regulating bank operations. It is like trying to snatch at odd kopeks and closing one's eyes to millions of rubles. Banks nowadays are so closely and intimately bound up with trade (in grain and everything else) and with industry that without "laying hands" on the banks nothing of any value, nothing "revolutionary-democratic", can be accomplished.

But perhaps for the state to "lay hands" on the banks is a very difficult and complicated operation? They usually try to scare philistines with this very

idea—that is, the capitalists and their defenders try it, because it is to their advantage to do so.

In reality, however, nationalisation of the banks, which would not deprive any “owner” of a single kopek, presents absolutely no technical or cultural difficulties, and is being delayed *exclusively* because of the vile greed of an insignificant handful of rich people. If nationalisation of the banks is so often confused with the confiscation of private property, it is the bourgeois press, which has an interest in deceiving the public, that is to blame for this widespread confusion.

The ownership of the capital wielded by and concentrated in the banks is certified by printed and written certificates called shares, bonds, bills, receipts, etc. Not a single one of these certificates would be invalidated or altered if the banks were nationalised, i.e., if all the banks were amalgamated into a single state bank. Whoever owned fifteen rubles on a savings account would continue to be the owner of fifteen rubles after the nationalisation of the banks; and whoever had fifteen million rubles would continue after the nationalisation of the banks to have fifteen million rubles in the form of shares, bonds, bills, commercial certificates and so on.

What, then, is the significance of nationalisation of the banks?

It is that no effective control of any kind over the individual banks and their operations is possible (even if commercial secrecy, etc., were abolished) because it is impossible to keep track of the extremely complex, involved and wily tricks that are used in drawing up balance sheets, founding fictitious enterprises and subsidiaries, enlisting the services of figureheads, and so on, and so forth. Only the amalgamation of all banks into one, which in itself would imply no change whatever in respect of ownership, and which, we repeat, would not deprive any owner of a single kopek, would make it *possible* to exercise real control—provided, of course, all the other measures indicated above were carried out. Only by nationalising the banks *can* the state *put itself in a position* to know where and how, whence and when, millions and billions of rubles flow. And only control over the banks, over the centre, over the pivot and chief mechanism of capitalist circulation, would make it possible to organise real and not fictitious control over all economic life, over the production and distribution of staple goods, and organise that “regulation of economic life” which otherwise is inevitably doomed to remain a ministerial phrase designed to fool the common people. Only control over banking operations, provided they were concentrated in a single state bank, would make it possible, if certain other easily-practicable measures were adopted, to organise the effective collection of income tax in such a way as to prevent the concealment of property and incomes; for at present the income tax is very largely a fiction.

Nationalisation of the banks has only to be decreed and it would be carried out by the directors and employees themselves. No special machinery, no special preparatory steps on the part of the state would be required, for this is a measure that can be effected by a single decree, “at a single stroke”. It was made

economically feasible by capitalism itself once it had developed to the stage of bills, shares, bonds and so on. All that is required is to *unify accountancy*. And if the revolutionary-democratic government were to decide that immediately, by telegraph, meetings of managers and employees should be called in every city, and conferences in every region and in the country as a whole, for the immediate amalgamation of all banks into a single state bank, this reform would be carried out in a few weeks. Of course, it would be the managers and the higher bank officials who would offer resistance, who would try to deceive the state, delay matters, and so on, for these gentlemen would lose their highly remunerative posts and the opportunity of performing highly profitable fraudulent operations. *That is the heart of the matter*. But there is not the slightest technical difficulty in the way of the amalgamation of the banks; and if the state power were revolutionary not only in word (i.e., if it did not fear to do away with inertia and routine), if it were democratic not only in word (i.e., if it acted in the interests of the majority of the people and not of a handful of rich men), it would be enough to decree confiscation of property and imprisonment as the penalty for managers, board members and big shareholders for the slightest delay or for attempting to conceal documents and accounts. It would be enough, for example, to organise the poorer employees *separately* and to reward them for detecting fraud and delay on the part of the rich for nationalisation of the banks to be effected as smoothly and rapidly as can be.

The advantages accruing to the whole people from nationalisation of the banks—not to the workers especially (for the workers have little to do with banks) but to the mass of peasants and small industrialists—would be enormous. The saving in labour would be gigantic, and, assuming that the state would retain the former number of bank employees, nationalisation would be a highly important step towards making the use of the banks universal, towards increasing the number of their branches, putting their operations within easier reach, etc., etc. The availability of credit on easy terms for the *small* owners, for the peasants, would increase immensely. As to the state, it would for the first time be in a position first to *review* all the chief monetary operations, which would be unconcealed, then to *control* them, then to *regulate* economic life, and finally to *obtain* millions and billions for major state transactions, without paying the capitalist gentlemen sky-high “commissions” for their “services”. That is the reason—and the only reason—why all the capitalists, all the bourgeois professors, all the bourgeoisie, and all the Plekhanovs, Potresovs and Co., who serve them, are prepared to fight tooth and nail against nationalisation of the banks and invent thousands of excuses to prevent the adoption of this very easy and very pressing measure, although even from the standpoint of the “defence” of the country, i.e., from the military standpoint, this measure would provide a gigantic advantage and would tremendously enhance the “military might” of the country.

The following objection might be raised: why do such advanced states as Germany and the U.S.A. “regulate economic life” so magnificently without even thinking of nationalising the banks?

Because, we reply, *both* these states are not merely capitalist, but also imperialist states, although one of them is a monarchy and the other a republic. As such, they carry out the reforms they need by reactionary-bureaucratic methods, whereas we are speaking here of revolutionary-democratic methods.

This “little difference” is of major importance. In most cases it is “not the custom” to think of it. The term “revolutionary democracy” has become with us (especially among the Socialist-Revolutionaries and Mensheviks) almost a conventional phrase, like the expression “thank God”, which is also used by people who are not so ignorant as to believe in God; or like the expression “honourable citizen”, which is sometimes used even in addressing staff members of *Dyen* or *Yedinstvo*, although nearly everybody guesses that these newspapers have been founded and are maintained by the capitalists in the interests of the capitalists, and that there is therefore very little “honourable” about the pseudo-socialists contributing to these newspapers.

If we do not employ the phrase “revolutionary democracy” as a stereotyped ceremonial phrase, as a conventional epithet, but *reflect* on its meaning, we find that to be a democrat means reckoning in reality with the interests of the majority of the people and not the minority, and that to be a revolutionary means destroying everything harmful and obsolete in the most resolute and ruthless manner.

Neither in America nor in Germany, as far as we know, is any claim laid by either the government or the ruling classes to the name “revolutionary democrats”, to which our Socialist-Revolutionaries and Mensheviks lay claim (and which they prostitute).

In Germany there are only four very large private banks of national importance. In America there are only *two*. It is easier, more convenient, more profitable for the financial magnates of those banks to unite privately, surreptitiously, in a reactionary and not a revolutionary way, in a bureaucratic and not a democratic way, bribing government officials (this is the general rule both in America *and in Germany*), and preserving the private character of the banks in order to preserve secrecy of operations, to milk the state of millions upon millions in “super-profits”, and to make financial frauds possible.

Both America and Germany “regulate economic life” in such a way as to create conditions of *war-time penal servitude* for the workers (and partly for the peasants) and a *paradise* for the bankers and capitalists. Their regulation consists in “squeezing” the workers to the point of starvation, while the capitalists are guaranteed (surreptitiously, in a reactionary-bureaucratic fashion) profits *higher* than before the war.

Such a course is quite possible in republican-imperialist Russia too. Indeed, it is the course being followed not only by the Milyukovs and Shingaryovs, but also by Kerensky in partnership with Tereshchenko, Nekrasov, Bernatsky, Prokopovich and Co., who *also uphold*, in a reactionary-bureaucratic manner, the “inviolability” of the banks and their sacred right to fabulous profits. So let

us better tell the *truth*, namely, that in republican Russia they want to regulate economic life in a reactionary-bureaucratic manner, but “often” find it difficult to do so owing to the existence of the “Soviets”, which Kornilov No. 1 did not manage to disband, but which Kornilov No. 2 will try to disband.

That would be the truth. And this simple if bitter truth is more useful for the enlightenment of the people than the honeyed lies about “our”, “great”, “revolutionary” democracy.

Nationalisation of the banks would greatly facilitate the simultaneous nationalisation of the insurance business, i.e., the amalgamation of all the insurance companies into one, the centralisation of their operations, and state control over them. Here, too, congresses of insurance company employees could carry out this amalgamation immediately and without any great effort, provided a revolutionary-democratic government decreed this and ordered directors and big shareholders to effect the amalgamation without the slightest delay and held every one of them strictly accountable for it. The capitalists have invested hundreds of millions of rubles in the insurance business; the work is all done by the employees. The amalgamation of this business would lead to lower insurance premiums, would provide a host of facilities and conveniences for the insured and would make it possible to increase their number without increasing expenditure of effort and funds. Absolutely nothing but the inertia, routine and self-interest of a handful of holders of remunerative jobs are delaying this reform, which, among other things, would enhance the country’s defence potential by economising national labour and creating a number of highly important opportunities to “regulate economic life” not in word, but in deed.

Nationalisation of the Syndicates

Capitalism differs from the old, pre-capitalistic systems of economy in having created the closest interconnection and interdependence of the various branches of the economy. Were this not so, incidentally, no steps towards socialism would be technically feasible. Modern capitalism, under which the banks dominate production, has carried this interdependence of the various branches of the economy to the utmost. The banks and the more important branches of industry and commerce have become inseparably merged. This means, on the one hand, that it is impossible to nationalise the banks alone, without proceeding to create a state monopoly of commercial and industrial syndicates (sugar, coal, iron, oil, etc.), and without nationalising them. It means, on the other hand, that if carried out in earnest, the regulation of economic activity would demand the simultaneous nationalisation of the banks and the syndicates.

Let us take the sugar syndicate as an example. It came into being under tsarism, and at that time developed into a huge capitalist combine of splendidly equipped refineries. And, of course, this combine, thoroughly imbued with the most

reactionary and bureaucratic spirit, secured scandalously high profits for the capitalists and reduced its employees to the status of humiliated and downtrodden slaves lacking any rights. Even at that time the state controlled and regulated production—in the interests of the rich, the magnates.

All that remains to be done here is to transform reactionary-bureaucratic regulation into revolutionary-democratic regulation by simple decrees providing for the summoning of a congress of employees, engineers, directors and shareholders, for the introduction of uniform accountancy, for control by the workers' unions, etc. This is an exceedingly simple thing, yet it has not been done! Under what is a democratic republic, the regulation of the sugar industry *actually* remains reactionary-bureaucratic; everything remains as of old—the dissipation of national labour, routine and stagnation, and the enrichment of the Bobrinskys and Tereshchenkos. Democrats and not bureaucrats, the workers and other employees and not the “sugar barons”, should be called upon to exercise independent initiative—and this could and should be done in a few days, at a single stroke, if only the Socialist-Revolutionaries and Mensheviks did not befog the minds of the people by plans for “association” with these very sugar barons, for the very association with the wealthy from which the “complete inaction” of the government in the matter of regulating economic life follows with absolute inevitability, and of which it is a consequence⁴.

Take the oil business. It was to a vast extent “socialised” by the earlier development of capitalism. Just a couple of oil barons wield millions and hundreds of millions of rubles, clipping coupons and raking in fabulous profits from a “business” which is *already* actually, technically and socially organised on a national scale and is *already* being conducted by hundreds and thousands of employees, engineers, etc. Nationalisation of the oil industry could be effected *at once* by, and is imperative for, a revolutionary-democratic state, especially when the latter suffers from an acute crisis and when it is essential to economise national labour and to increase the output of fuel at all costs. It is clear that here bureaucratic control can achieve nothing, can change nothing, for the “oil barons” can cope with the Tereshchenkos, the Kerenskys, the Avksentyevs and the Skobelevs as easily as they coped with the tsar’s ministers—by means of delays, excuses and promises, and by bribing the bourgeois press directly or indirectly (this is called “public opinion”, and the Kerenskys and Avksentyevs “reckon” with it), by bribing officials (left by the Kerenskys and Avksentyevs in their old jobs in the old state machinery which remains intact).

If anything real is to be done bureaucracy must be abandoned for democracy, and in a truly revolutionary way, i.e., war must be declared on the oil barons and shareholders, the confiscation of their property and punishment by imprisonment must be decreed for delaying nationalisation of the oil business, for concealing

⁴These lines had been written when I learnt from the newspapers that the Kerensky government is introducing a sugar monopoly, and, of course, is introducing it in a reactionary-bureaucratic way, without congresses of workers and other employees, without publicity, and without curbing the capitalists! —*Lenin*

incomes or accounts, for sabotaging production, and for failing to take steps to increase production. The initiative of the workers and other employees must be drawn on; *they* must be immediately summoned to conferences and congresses; a certain proportion of the profits must be assigned to *them*, provided they institute overall control and increase production. Had these revolutionary-democratic steps been taken at once, immediately, in April 1917, Russia, which is one of the richest countries in the world in deposits of liquid fuel, could, using water transport, have done a very great deal during this summer to supply the people with the necessary quantities of fuel.

Neither the bourgeois nor the coalition Socialist-Revolutionary-Menshevik-Cadet government has done anything at all. Both have confined themselves to a bureaucratic playing at reforms. They have not dared to take a single revolutionary-democratic step. Everything has remained as it was under the tsars—the oil barons, the stagnation, the hatred of the workers and other employees for their exploiters, the resulting chaos, and the dissipation of national labour—only the *letterheads* on the incoming and outgoing papers in the “republican” offices have been changed!

Take the coal industry. It is technically and culturally no less “ripe” for nationalisation, and is being no less shamelessly managed by the robbers of the people, the coal barons, and there are a number of most striking *facts* of direct sabotage, direct *damage* to and stoppage of production by the industrialists. Even the ministerial *Rabochaya Gazeta* of the Mensheviks has admitted these facts. And what do we find? Absolutely nothing has been done, except to call the old, reactionary-bureaucratic meetings “on a half-and-half basis”—an equal number of workers and bandits from the coal syndicate! Not a single revolutionary-democratic step has been taken, not a shadow of an attempt has been made to establish the only control which is real—control from *below*, through the employees’ union, through the workers, and by using terror against the coal industrialists who are ruining the country and bringing production to a standstill! How can this be done when we are “all” in favour of the “coalition”—if not with the Cadets, then with commercial and industrial circles. And coalition means leaving power in the hands of the capitalists, letting them go unpunished, allowing them to hamper affairs, to blame everything on the workers, to intensify the chaos and thus pave the way for a new Kornilov revolt!

Abolition of Commercial Secrecy

Unless commercial secrecy is abolished, either control over production and distribution will remain an empty promise, only needed by the Cadets to fool the Socialist-Revolutionaries and Mensheviks, and by the Socialist-Revolutionaries and Mensheviks to fool the working classes, or control can be exercised only by reactionary-bureaucratic methods and means. Although this is obvious to every unprejudiced person, and although Pravda persistently demanded the

abolition of commercial secrecy⁵ (and was suppressed largely for this reason by the Kerensky government which is subservient to capital), neither our republican government nor the “authorised bodies of revolutionary democracy” have even thought of this *first step* to real control.

This is the very key to all control. Here we have the most sensitive spot of capital, which is robbing the people and sabotaging production. And this is exactly why the Socialist-Revolutionaries and Mensheviks are afraid to do anything about it.

The usual argument of the capitalists, one reiterated by the petty bourgeoisie without reflection, is that in a capitalist economy the abolition of commercial secrecy is in general absolutely impossible, for private ownership of the means of production, and the dependence of the individual undertakings on the market render essential the “sanctity” of commercial books and commercial operations, including, of course, banking operations.

Those who in one form or another repeat this or similar arguments allow themselves to be deceived and themselves deceive the people by shutting their eyes to two fundamental, highly important and generally known facts of modern economic activity. The first fact is the existence of large-scale capitalism, i.e., the peculiar features of the economic system of banks, syndicates, large factories, etc. The second fact is the war.

It is modern large-scale capitalism, which is everywhere becoming monopoly capitalism, that deprives commercial secrecy of every shadow of reasonableness, turns it into hypocrisy and into an instrument exclusively for concealing financial swindles and the fantastically high profits of big capital. Large-scale capitalist economy, by its very technical nature, is socialised economy, that is, it both operates for millions of people and, directly or indirectly, unites by its operations hundreds, thousands and tens of thousands of families. It is not like the economy of the small handicraftsman or the middle peasant who keep no commercial books at all and who would therefore not be affected by the abolition of commercial secrecy!

As it is, the operations conducted in large-scale business are known to hundreds or more persons. Here the law protecting commercial secrecy does not serve the interests of production or exchange, but those of speculation and profit-seeking in their crudest form, and of direct fraud, which, as we know, in the case of joint-stock companies is particularly widespread and very skilfully concealed by reports and balance-sheets, so compiled as to deceive the public.

While commercial secrecy is unavoidable in small commodity production, i.e., among the small peasants and handicraftsmen, where production itself is not socialised but scattered and disunited, in large-scale capitalist production, the protection of commercial secrecy means protection of the privileges and profits of literally a handful of people *against* the interest of the whole people. This has already been recognised by the law, inasmuch as provision is made for the

⁵See present edition, Vol. 24, pp. 521–22, and this volume, pp. 140–41.—*Ed.*

publication of the accounts of joint-stock companies. But this control, which has already been introduced in all advanced countries, as well as in Russia, is a reactionary-bureaucratic control which does not open the eyes of the *people* and which *does not allow the whole truth* about the operations of joint-stock companies to become known.

To act in a revolutionary-democratic way, it would be necessary to immediately pass another law abolishing commercial secrecy, compelling the big undertakings and the wealthy to render the fullest possible accounts, and investing every group of citizens of substantial democratic numerical strength (1,000 or 10,000 voters, let us say) with the right to examine *all* the records of any large undertaking. Such a measure could be fully and easily effected by a simple decree. It *alone* would allow full scope for *popular* initiative in control, through the office employees' unions, the workers' unions and all the political parties, and it alone would make control effective and democratic.

Add to this the war. The vast majority of commercial and industrial establishments are now working not for the "free market", but *for the government*, for the war. This is why I have already stated in *Pravda* that people who counter us with the argument that socialism cannot be introduced are liars, and barefaced liars at that, because it is not a question of introducing socialism now, directly, overnight, but of *exposing plunder of the state*⁶.

Capitalist "war" economy (i.e., economy directly or indirectly connected with war contracts) is systematic and legalised plunder, and the Cadet gentry, who, together with the Mensheviks and Socialist-Revolutionaries, are opposing the abolition of commercial secrecy, are nothing but *aiders and abettors of plunder*.

The war is now costing Russia fifty million rubles *a day*. These fifty million go mostly to army contractors. Of these fifty, at least five million *daily*, and probably ten million or more, constitute the "honest income" of the capitalists, and of the officials who are in one way or another in collusion with them. The very large firms and banks which lend money for war contracts transactions thereby make fantastic profits, and do so by plundering the state, for no other epithet can be applied to this defrauding and plundering of the people "on the occasion of" the hardships of war, "on the occasion of" the deaths of hundreds of thousands and millions of people.

"Everybody" knows about these scandalous profits made on war contracts, about the "letters of guarantee" which are concealed by the banks, about who benefits by the rising cost of living. They are smiled on in "society". Quite a number of precise references are made to them *even* in the bourgeois press, which as a general rule keeps silent about "unpleasant" facts and avoids "ticklish" questions. Everybody knows about them, yet everybody keeps silent, everybody tolerates them, everybody puts up with the government, which prates eloquently about "control" and "regulation"!!

⁶See pp. 68–69 of this volume.—*Ed.*

The revolutionary democrats, were they real revolutionaries and democrats, would immediately pass a law abolishing commercial secrecy, compelling contractors and merchants to render accounts public, forbidding them to abandon their field of activity without the permission of the authorities, imposing the penalty of confiscation of property and shooting⁷ for concealment and for deceiving the people, organising verification and control *from below*, democratically, by the people themselves, by unions of workers and other employees, consumers, etc.

Our Socialist-Revolutionaries and Mensheviks fully deserve to be called scared democrats, for on this question they repeat what is said by all the scared philistines, namely, that the capitalists will “run away” if “too severe” measures are adopted, that “we” shall be unable to get along without the capitalists, that the British and French millionaires, who are, of course, “supporting” us, will most likely be “offended” in their turn, and so on. It might be thought that the Bolsheviks were proposing something unknown to history, something that has never been tried before, some thing “utopian”, while, as a matter of fact, even 125 years ago, in France, people who were real “revolutionary democrats”, who were really convinced of the just and defensive character of the war they were waging, who really had popular support and were sincerely convinced of this, were able to establish *revolutionary* control over the rich and to achieve results which earned the admiration of the world. And in the century and a quarter that have since elapsed, the development of capitalism, which resulted in the creation of banks, syndicates, railways and so forth, has greatly facilitated and simplified the adoption of measures of really democratic control by the workers and peasants over the exploiters, the landowners and capitalists.

In point of fact, the whole question of control boils down to who controls whom, i.e., which class is in control and which is being controlled. In our country, in republican Russia, with the help of the “authorised bodies” of supposedly revolutionary democracy, it is the landowners and capitalists who are still recognised to be, and still are, the controllers. The inevitable result is the capitalist robbery that arouses universal indignation among the people, and the economic chaos that is being artificially kept up by the capitalists. We must resolutely and irrevocably, not fearing to break with the old, not fearing boldly to build the new, pass to control over the landowners and capitalists by the workers and peasants. And this is what our Socialist-Revolutionaries and Mensheviks fear worse than the plague.

⁷I have already had occasion to point out in the Bolshevik press that it is right to argue against the death penalty only when it is applied by the exploiters against the mass of the working people with the purpose of maintaining exploitation. It is hardly likely that any revolutionary government whatever could do without applying the death penalty to the exploiters (i.e., the landowners and capitalists). —*Lenin*

Compulsory Association

Compulsory syndication, i.e., compulsory association, of the industrialists, for example, is already being practised in Germany. Nor is there anything new in it. Here, too, through the fault of the Socialist-Revolutionaries and Mensheviks, we see the utter stagnation of republican Russia, whom these none-too-respectable parties “entertain” by dancing a quadrille with the Cadets, or with the Bublikovs, or with Tereshchenko and Kerensky.

Compulsory syndication is, on the one hand, a means whereby the state, as it were, expedites capitalist development, which everywhere leads to the organisation of the class struggle and to a growth in the number, variety and importance of unions. On the other hand, compulsory “unionisation” is an indispensable precondition for any kind of effective control and for all economy of national labour.

The German law, for instance, binds the leather manufacturers of a given locality or of the whole country to form an association, on the board of which there is a representative of the state for the purpose of control. A law of this kind does not directly, i.e., in itself, affect property relations in any way; it does not deprive any owner of a single kopek and does not predetermine whether the control is to be exercised in a reactionary-bureaucratic or a revolutionary-democratic form, direction or spirit.

Such laws can and should be passed in our country immediately, without wasting a single week of precious time; it should be left to social conditions *themselves* to determine the more specific forms of enforcing the law, the speed with which it is to be enforced, the methods of supervision over its enforcement, etc. In this case, the state requires no special machinery, no special investigation, nor preliminary enquiries for the passing of such a law. All that is required is the determination to break with certain private interests of the capitalists, who are “not accustomed” to such interference and have no desire to forfeit the super-profits which are ensured by the old methods of management and the absence of control.

No machinery and no “statistics” (which Chernov wanted to substitute for the revolutionary initiative of the peasants) are required to *pass* such a law, inasmuch as its implementation must be made the duty of the manufacturers or industrialists themselves, of the *available* public forces, under the control of the available public (i.e., non-government, non-bureaucratic) forces too, which, however, must consist by all means of the so-called “lower estates”, i.e., of the oppressed and exploited classes, which in history have always proved to be immensely *superior* to the exploiters in their capacity for heroism, self-sacrifice and comradely discipline.

Let us assume that we have a really revolutionary-democratic government and that it decides that the manufacturers and industrialists in every branch of production who employ, let us say, not less than two workers shall immediately

amalgamate into uyezd and gubernia associations. Responsibility for the strict observance of the law is laid in the first place on the manufacturers, directors, board members, and big shareholders (for they are the real leaders of modern industry, its real masters). They shall be regarded as deserters from military service, and punished as such, if they do not work for the immediate implementation of the law, and shall bear mutual responsibility, one answering for all, and all for one, with the whole of their property. Responsibility shall next be laid on all office employees, who shall also form *one* union, and on all workers and their trade union. The purpose of “unionisation” is to institute the fullest, strictest and most detailed accountancy, but chiefly to *combine operations* in the purchase of raw materials, the sale of products, and the *economy* of national funds and forces. When the separate establishments are amalgamated into a single syndicate, this economy can attain tremendous proportions, as economic science teaches us and as is shown by the example of all syndicates, cartels and trusts. And it must be repeated that this unionisation will not in itself alter property relations one iota and will not deprive any owner of a single kopek. This circumstance must be strongly stressed, for the bourgeois press constantly “frightens” small and medium proprietors by asserting that socialists in general, and the Bolsheviks in particular, want to “expropriate” them—a deliberately false assertion, as socialists do not intend to, cannot and will not expropriate the small peasant *even if there is a fully socialist revolution*. All the time we are speaking only of the immediate and urgent measures, which have already been introduced in Western Europe and which a democracy that is at all consistent ought to introduce immediately in our country to combat the impending and inevitable catastrophe.

Serious difficulties, both technical and cultural, would be encountered in amalgamating the small and very small proprietors into associations, owing to the extremely small proportions and technical primitiveness of their enterprises and the illiteracy or lack of education of the owners.. But precisely such enterprises could be exempted from the law (as was pointed out above in our hypothetical example). Their non-amalgamation, let alone their belated amalgamation, could create no serious obstacle, for the part played by the huge number of small enterprises in the sum total of production and their importance to the economy as a whole are *negligible*, and, moreover, they are often in one way or another dependent on the big enterprises.

Only the big enterprises are of decisive importance; and here the technical and cultural means and forces for “unionisation” *do exist*; what is lacking is the firm, determined initiative of a *revolutionary* government which should be ruthlessly severe towards the exploiters to set these forces and means in motion.

The poorer a country is in technically trained forces, and in intellectual forces generally, the more *urgent* it is to decree compulsory association as early and as resolutely as possible and to begin with the bigger and biggest enterprises when putting the decree into effect, for it is association that will *economise* intellectual forces and make it possible to use them *to the full* and to distribute them

more correctly. If, after 1905, even the Russian peasants in their out-of-the-way districts, under the tsarist government, in face of the thousands of obstacles raised by that government, were able to make a tremendous forward stride in the creation of all kinds of associations, it is clear that the amalgamation of large- and medium-scale industry and trade could be effected in several months, if not earlier, provided compulsion to this end were exercised by a really revolutionary-democratic government relying on the support, participation, interest and advantage of the “lower ranks”, the democracy, the workers and other employees, and calling upon *them* to exercise control.

Regulation of Consumption

The war has compelled all the belligerent and many of the neutral countries to resort to the regulation of consumption. Bread cards have been issued and have become customary, and this has led to the appearance of other ration cards. Russia is no exception and has also introduced bread cards.

Using this as an example, we can draw, perhaps, the most striking comparison of all between reactionary-bureaucratic methods of combating a catastrophe, which are confined to minimum reforms, and revolutionary-democratic methods, which, to justify their name, must directly aim at a violent rupture with the old, obsolete system and at the achievement of the speediest possible progress.

The bread card—this typical example of how consumption is regulated in modern capitalist countries—aims at, and achieves (at best), one thing only, namely, distributing available supplies of grain to give everybody his share. A maximum limit to consumption is established, not for all foodstuffs by far, but only for principal foodstuffs, those of “popular” consumption. And that is all. There is no intention of doing anything else. Available supplies of grain are calculated in a bureaucratic way, then divided on a per capita basis, a ration is fixed and introduced, and there the matter ends. Luxury articles are not affected, for they are “anyway” scarce and “anyway” so dear as to be beyond the reach of the “people”. And so, in *all* the belligerent countries without exception, *even* in Germany, which evidently, without fear of contradiction, may be said to be a model of the most careful, pedantic and strict regulation of consumption—*even* in Germany we find that the rich constantly *get around* all “rationing”. This, too, “everybody” knows and “everybody” talks about with a smile; and in the German socialist papers, and sometimes even in the bourgeois papers, despite the fierce military stringency of the German censorship, we constantly find items and reports about the “menus” of the rich, saying how the wealthy can obtain white bread in any quantity at a certain health resort (visited, on the plea of illness, by everybody who has plenty of money), and how the wealthy substitute choice and rare articles of luxury for articles of popular consumption.

A reactionary capitalist state which *fears* to undermine the pillars of capitalism, of wage slavery, of the economic supremacy of the rich, which *fears* to encourage

the initiative of the workers and the working people generally, which fears to provoke them to a more exacting attitude—*such* a state will be quite content with bread cards. Such a state does not for a moment, in any measure it adopts, lose sight of the *reactionary* aim of strengthening capitalism, preventing its being undermined, and confining the “regulation of economic life” in general, and the regulation of consumption in particular, to such measures as are absolutely essential to feed the people, *and makes no attempt* whatsoever at real regulation of consumption by exercising *control over the rich* and laying the *greater part* of the burden in war-time on those who are better off, who are privileged, well fed and overfed in peace-time.

The reactionary-bureaucratic solution to the problem with which the war has confronted the peoples confines itself to bread cards, to the equal distribution of “popular” foodstuffs, of those absolutely essential to feed the people, without retreating one little bit from bureaucratic and reactionary ideas, that is, from the aim of *not* encouraging the initiative of the poor, the proletariat, the mass of the people (“demos”), of *not* allowing *them* to exercise control over the rich, and of leaving *as many* loopholes *as possible* for the rich to compensate themselves with articles of luxury. And a great number of loopholes are left in *all* countries, we repeat, even in Germany—not to speak of Russia; the “common people” starve while the rich visit health resorts, supplement the meagre official ration by all sorts of “extras” obtained on the side, and do *not* allow *themselves* to be controlled.

In Russia, which has only just made a revolution against the tsarist regime in the name of liberty and equality, in Russia, which, as far as its actual political institutions are concerned, has at once become a democratic republic, what particularly strikes the people, what particularly arouses popular discontent, irritation, anger and indignation is that *everybody* sees the easy way in which the wealthy get around the bread cards. They do it very easily indeed. “From under the counter”, and for a very high price, especially if one has “*pull*” (which only the rich have), one can obtain anything, and in large quantities, too. It is the people who are starving. The regulation of consumption is confined within the narrowest bureaucratic-reactionary limits. The government has not the slightest intention of putting regulation on a really revolutionary-democratic footing, is not in the least concerned about doing so.

“Everybody” is suffering from the queues but—but the rich send their servants to stand in the queues, and even engage special servants for the purpose! And that is “democracy”!

At a time when the country is suffering untold calamities, a revolutionary-democratic policy would not confine itself to bread cards to combat the impending catastrophe but would add, firstly, the compulsory organisation of the whole population in consumers’ societies, for otherwise control over consumption cannot be fully exercised; secondly, labour service for the rich, making them perform without pay secretarial and similar duties for these consumers’ societies; thirdly, the equal distribution among the population of absolutely all consumer goods, so

as really to distribute the burdens of the war equitably; fourthly, the organisation of control in such a way as to have the poorer classes of the population exercise control over the consumption of the rich.

The establishment of real democracy in this sphere and the display of a real revolutionary spirit in the organisation of control by the most needy classes of the people would be a very great stimulus to the employment of all available intellectual forces and to the development of the truly revolutionary energies of the entire people. Yet now the ministers of republican and revolutionary-democratic Russia, exactly like their colleagues in all other imperialist countries, make pompous speeches about “working in common for the good of the people” and about “exerting every effort”, but the people see, feel and sense the hypocrisy of this talk.

The result is that no progress is being made, chaos is spreading irresistibly, and a catastrophe is approaching, for our government cannot introduce war-time penal servitude for the workers in the Kornilov, Hindenburg, general imperialist way—the traditions, memories, vestiges, habits and institutions of the *revolution* are still too much alive among the people; our government does not want to take any really serious steps in a revolutionary-democratic direction, for it is thoroughly infected and thoroughly enmeshed by its dependence on the bourgeoisie, its “coalition” with the bourgeoisie, and its fear to encroach on their real privileges.

Government Disruption of the Work of the Democratic Organisations

We have examined various ways and means of combating catastrophe and famine. We have seen everywhere that the contradictions between the democrats, on the one hand, and the government and the bloc of the Socialist-Revolutionaries and Mensheviks which is supporting it, on the other, are irreconcilable. To prove that these contradictions exist in reality, and not merely in our exposition, and that their irreconcilability is *actually* borne out by conflicts affecting the people as a whole, we have only to recall two very typical “results” and lessons of the six months’ history of our revolution.

The history of the “reign” of Palchinsky is one lesson. The history of the “reign” and fall of Peshekhonov is the other.

The measures to combat catastrophe and hunger described above boil down to the all-round encouragement (even to the extent of compulsion) of “unionisation” of the population, and primarily the democrats, i.e., the majority of the population, or, above all, the oppressed classes, the workers and peasants, especially the poor peasants. And this is the path which the population itself spontaneously began to adopt in order to cope with the unparalleled difficulties, burdens and hardships of the war.

Tsarism did everything to hamper the free and independent “unionisation” of

the population. But after the fall of the tsarist monarchy, democratic organisations began to spring up and grow rapidly all over Russia. The struggle against the catastrophe began to be waged by spontaneously arising democratic organisations—by all sorts of committees of supply, food committees, fuel councils, and so on and so forth.

And the most remarkable thing in the whole six months' history of our revolution, as far as the question we are examining is concerned, is that a government which calls itself republican and revolutionary, and which is supported by the Mensheviks and Socialist-Revolutionaries in the name of the "authorised bodies of revolutionary democracy", fought the democratic organisations and *defeated them!!*

By this fight, Palchinsky earned extremely wide and very sad notoriety all over Russia. He acted behind the government's back, without coming out publicly (just as the Cadets generally preferred to act, willingly pushing forward Tsereteli "for the people", while they themselves arranged all the important business on the quiet). Palchinsky hampered and thwarted every serious measure taken by the spontaneously created democratic organisations, for no serious measure could be taken without "injuring" the excessive profits and wilfulness of the Kit Kityches. And Palchinsky was in fact a loyal defender and servant of the Kit Kityches. Palchinsky went so far—and this fact was reported in the newspapers—as simply to *annul* the orders, of the spontaneously created democratic organisations!

The whole history of Palchinsky's "reign"—and he "reigned" for many months, and just when Tsereteli, Skobelev and Chernov were "ministers"—was a monstrous scandal from beginning to end; the will of the people and the decisions of the democrats were frustrated to *please* the capitalists and meet their filthy greed. Of course, only a negligible part of Palchinsky's "feats" could find its way into the press, and a full investigation of the manner in which he *hindered* the struggle against famine can be made only by a truly democratic government of the proletariat when it gains power and submits all the actions of Palchinsky and his like, without concealing anything, *to the judgement* of the people.

It will perhaps be argued that Palchinsky was an exception, and that after all he was removed. But the fact is that Palchinsky was not the exception but the rule, that the situation has in no way improved with his removal, that his place has been taken by the same kind of Palchinskys with different names, and that all the "*influence*" of the capitalists, and the entire policy of *frustrating the struggle against hunger to please the capitalists*, has remained intact. For Kerensky and Co. are only a screen for defence of the interests of the capitalists.

The most striking proof of this is the resignation of Peshekhonov, the Food Minister. As we know, Peshekhonov is a very, very moderate Narodnik. But in the organisation of food supply he wanted to work honestly, in contact with and supported by the democratic organisations. The *experience* of Peshekhonov's work and his *resignation* are all the more interesting because this extremely moderate Narodnik, this member of the Popular Socialist Party, who was ready

to accept any compromise with the bourgeoisie, was nevertheless compelled to resign! For the Kerensky government, to please the capitalists, landowners and kulaks, had *raised* the fixed prices of grain!

This is how M. Smith describes this “step” and its significance in the newspaper *Svobodnaya Zhizn*⁸ No. 1, of September 2:

"Several days before the government decided to raise the fixed prices, the following scene was enacted in the national Food Committee: Rolovich, a Right-winger, a stubborn defender of the interests of private trade and a ruthless opponent of the grain monopoly and state interference in economic affairs, publicly announced with a smug smile that he understood the fixed grain prices would shortly be raised.

"The representative of the Soviet of Workers' and Soldiers' Deputies replied by declaring that he knew nothing of the kind, that as long as the revolution in Russia lasted such an act could not take place, and that at any rate the government could not take such a step without first consulting the authorised democratic bodies—the Economic Council and the national Food Committee. This statement was supported by the representative of the Soviet of Peasants' Deputies.

“But, alas, reality introduced a very harsh amendment to this counter-version! It was the representative of the wealthy elements and not the representatives of the democrats who turned out to be right. He proved to be excellently informed of the preparations for an attack on democratic rights, although the democratic representatives indignantly denied the very possibility of such an attack.”

And so, both the representative of the workers and the representative of the peasants explicitly state their opinion in the name of the vast majority of the people, yet the Kerensky government acts contrary to that opinion, in the interests of the capitalists!

Rolovich, a representative of the capitalists, turned out to be excellently informed behind the backs of the democrats—just as we have always observed, and now observe, that the bourgeois newspapers, *Rech* and *Birzhevka*, are best informed of the doings in the Kerensky government.

What does this possession of excellent information show? Obviously, that the capitalists have their “channels” and *virtually* hold power in their own hands. Kerensky is a figurehead which they use as and when they find necessary. The interests of tens of millions of workers and peasants turn out to have been sacrificed to the profits of a handful of the rich.

And how do our Socialist-Revolutionaries and Mensheviks react to this outrage

⁸*Svobodnaya Zhizn* (Free Life)—a newspaper with a Menshevik trend published in Petrograd from September 2–8 (15–21), 1917, instead of the suspended *Novaya Zhizn*.

to the people? Did they address an appeal to the workers and peasants, saying that after this, prison was the only place for Kerensky and his colleagues?

God forbid! The Socialist-Revolutionaries and Mensheviks, through their Economic Department, confined themselves to adopting the impressive resolution to which we have already referred! In this resolution they declare that the raising of grain prices by the Kerensky government is “a *ruinous* measure which deals a *severe blow* both at the food supply and at the whole economic life of the country”, and that these ruinous measures have been taken in direct “*violation*” of the law!!

Such are the results of the policy of compromise, of flirting with Kerensky and desiring to “spare” him!

The government violates the law by adopting, in the interests, of the rich, the landowners and capitalists, a measure which *ruins* the whole business of control, food supply and the stabilisation of the extremely shaky finances, yet the Socialist-Revolutionaries and Mensheviks continue to talk about an understanding with commercial and industrial circles, continue to attend conferences with Tereshchenko and to spare Kerensky, and confine themselves to a paper resolution of protest, which the government very calmly pigeonholes!!

This reveals with great clarity the fact that the Socialist-Revolutionaries and Mensheviks have betrayed the people and the revolution, and that the Bolsheviks are becoming the real leaders of the masses, even of the Socialist-Revolutionary and Menshevik masses.

For only the winning of power by the proletariat, headed by the Bolshevik Party, can put an end to the outrageous actions of Kerensky and Co. and *restore* the work of democratic food distribution, supply and other organisations, which Kerensky and his government are *frustrating*.

The Bolsheviks are acting—and this can be very clearly seen from the above example—as the representatives of the interests of the *whole* people, which are to ensure food distribution and supply and meet the most urgent needs of the workers *and peasants*, despite the vacillating, irresolute and truly treacherous policy of the Socialist-Revolutionaries and Mensheviks, a policy which has brought the country to an act as shameful as this raising of grain prices!

Financial Collapse and Measures To Combat It

There is another side to the problem of raising the fixed grain prices. This raising of prices involves a new chaotic increase in the issuing of paper money, a further increase in the cost of living, increased financial disorganisation and the approach of financial collapse. Everybody admits that the issuing of paper money constitutes the worst form of compulsory loan, that it most of all affects the conditions of the workers, of the poorest section of the population, and that it is the chief evil engendered by financial disorder.

And it is to this measure that the Kerensky government, supported by the Socialist-Revolutionaries and Mensheviks, is resorting!

There is no way of effectively combating financial disorganisation and inevitable financial collapse except that of revolutionary rupture with the interests of capital and that of the organisation of really democratic control, i.e., control from “below”, control by the workers and the poor peasants *over* the capitalists, a way to which we referred throughout the earlier part of this exposition.

Large issues of paper money encourage profiteering, enable the capitalists to make millions of rubles, and place tremendous difficulties in the way of a very necessary expansion of production, for the already high cost of materials, machinery, etc., is rising further by leaps and bounds. What can be done about it when the wealth acquired by the rich through profiteering is being concealed?

An income tax with progressive and very high rates for larger and very large incomes might be introduced. Our government has introduced one, following the example of other imperialist governments. But it is largely a fiction, a dead letter, for, firstly, the value of money is falling faster and faster, and, secondly, the more incomes are derived from profiteering and the more securely commercial secrecy is maintained, the greater their concealment.

Real and not nominal control is required to make the tax real and not fictitious. But control over the capitalists is impossible if it remains bureaucratic, for the bureaucracy is itself bound to and interwoven with the bourgeoisie by thousands of threads. That is why in the West-European imperialist states, monarchies and republics alike, financial order is obtained solely by the introduction of “labour service”, which creates *war-time penal servitude or war-time slavery* for the workers.

Reactionary-bureaucratic control is the only method known to imperialist states—not excluding the democratic republics of France and America—of foisting the burdens of the war on to the proletariat and the working people.

The basic contradiction in the policy of our government is that, in order not to quarrel with the bourgeoisie, not to destroy the “coalition” with them, the government has to introduce reactionary-bureaucratic control, which it calls “revolutionary-democratic” control, deceiving the people at every step and irritating and angering the masses who have just overthrown tsarism.

Yet only revolutionary-democratic measures, only the organisation of the oppressed classes, the workers and peasants, the masses, into unions would make it possible to establish a most effective control *over the rich* and wage a most successful fight against the concealment of incomes.

An attempt is being made to encourage the use of cheques as a means of avoiding excessive issue of paper money. This measure is of no significance as far as the poor are concerned, for anyway they live from hand to mouth, complete their “economic cycle” in one week and return to the capitalists the few meagre coppers they manage to earn. The use of cheques might have great significance as far

as the rich are concerned. It would enable the state, especially in conjunction with such measures as nationalisation of the banks and abolition of commercial secrecy, *really to control* the incomes of the capitalists, really to impose taxation on them, and really to “democratise” (and at the same time bring order into) the financial system.

But this is hampered by the fear of infringing the privileges of the bourgeoisie and destroying the “coalition” with them. For unless truly revolutionary measures are adopted and compulsion is very seriously resorted to, the capitalists will not submit to any control, will not make known their budgets, and will not surrender their stocks of paper money for the democratic state to “keep account” of.

The workers and peasants, organised in unions, by nationalising the banks, making the use of cheques legally compulsory for all rich persons, abolishing commercial secrecy, imposing confiscation of property as a penalty for concealment of incomes, etc., might with extreme ease make control both effective and universal—control, that is, over the rich, and such control as would *secure the return* of paper money *from those* who have it, *from those* who conceal it, *to the treasury*, which issues it.

This requires a revolutionary dictatorship of the democracy, headed by the revolutionary proletariat; that is, it requires that the democracy should become revolutionary *in fact*. That is the crux of the matter. But that is just what is not wanted by our Socialist-Revolutionaries and Mensheviks, who are deceiving the people by displaying the *flag* of “revolutionary democracy” while they are in fact supporting the reactionary-bureaucratic policy of the bourgeoisie, who, as always, are guided by the rule: “*Après nous le déluge*”—after us the deluge!

We usually do not even notice how thoroughly we are permeated by anti-democratic habits and prejudices regarding the “sanctity” of bourgeois property. When an engineer or banker publishes the income and expenditure of a worker, information about his wages and the productivity of his labour, this is regarded as absolutely legitimate and fair. Nobody thinks of seeing it as an intrusion into the “private life” of the worker, as “spying or informing” on the part of the engineer. Bourgeois society regards the labour and earnings of a wage-worker as *its* open book, any bourgeois being entitled to peer into it at any moment, and at any moment to expose the “luxurious living” of the worker, his supposed “laziness”, etc.

Well, and what about reverse control? What if the unions of employees, clerks and *domestic servants* were invited by a *democratic* state to verify the income and expenditure of capitalists, to publish information on the subject and to assist the government in combating concealment of incomes?

What a furious howl against “spying” and “informing” would be raised by the bourgeoisie! When “masters” control servants, or when capitalists control workers, this is considered to be in the nature of things; the private life of the working and exploited people is *not* considered inviolable. The bourgeoisie are entitled to call to account any “wage slave” and at any time to make public his

income and expenditure. But if the oppressed attempt to control the oppressor, to show up *his* income and expenditure, to expose his luxurious living even in war-time, when *his* luxurious living is directly responsible for armies at the front starving and perishing—oh, no, the bourgeoisie will not tolerate “spying” and “informing”!

It all boils down to the same thing: the rule of the bourgeoisie is *irreconcilable* with truly-revolutionary true democracy. We cannot be revolutionary democrats in the twentieth century and in a capitalist country *if we fear* to advance towards socialism.

Can We Go Forward If We Fear To Advance Towards Socialism?

What has been said so far may easily arouse the following objection on the part of a reader who has been brought up on the current opportunist ideas of the Socialist-Revolutionaries and Mensheviks. Most measures described here, he may say, are *already* in effect socialist and not democratic measures!

This current objection, one that is usually raised (in one form or another) in the bourgeois, Socialist-Revolutionary and Menshevik press, is a reactionary defence of backward capitalism, a defence decked out in a Struvean garb. It seems to say that we are not ripe for socialism, that it is too early to “introduce” socialism, that our revolution is a bourgeois revolution and therefore we must be the menials of the bourgeoisie (although the great bourgeois revolutionaries in France 125 years ago made their revolution a great revolution by exercising *terror* against all oppressors, landowners and capitalists alike!).

The pseudo-Marxist lackeys of the bourgeoisie, who have been joined by the Socialist-Revolutionaries and who argue in this way, do not understand (as an examination of the theoretical basis of their opinion shows) what imperialism is, what capitalist monopoly is, what the state is, and what revolutionary democracy is. For anyone who understands this is bound to admit that there can be no advance except towards socialism.

Everybody talks about imperialism. But imperialism is merely monopoly capitalism.

That capitalism in Russia has also become monopoly capitalism is sufficiently attested by the examples of the Produgol, the Prodamet, the Sugar Syndicate, etc. This Sugar Syndicate is an object-lesson in the way monopoly capitalism develops into state-monopoly capitalism.

And what is the state? It is an organisation of the ruling class — in Germany, for instance, of the Junkers and capitalists. And therefore what the German Plekhanovs (Scheidemann, Lensch, and others) call “war-time socialism” is in fact war-time state-monopoly capitalism, or, to put it more simply and clearly,

war-time penal servitude for the workers and war-time protection for capitalist profits.

Now try to *substitute* for the Junker-capitalist state, for the landowner-capitalist state, a *revolutionary-democratic* state, i.e., a state which in a revolutionary way abolishes all privileges and does not fear to introduce the fullest democracy in a revolutionary way. You will find that, given a really revolutionary-democratic state, state- monopoly capitalism inevitably and unavoidably implies a step, and more than one step, towards socialism!

For if a huge capitalist undertaking becomes a monopoly, it means that it serves the whole nation. If it has become a state monopoly, it means that the state (i.e., the armed organisation of the population, the workers and peasants above all, provided there is *revolutionary* democracy) directs the whole undertaking. In whose interest?

Either in the interest of the landowners and capitalists, in which case we have not a revolutionary-democratic, but a reactionary-bureaucratic state, an imperialist republic.

Or in the interest of revolutionary democracy—and then *it is a step towards socialism*.

For socialism is merely the next step forward from state-capitalist monopoly. Or, in other words, socialism is merely state-capitalist monopoly *which is made to serve the interests of the whole people* and has to that extent *ceased* to be capitalist monopoly.

There is no middle course here. The objective process of development is such that it is *impossible* to advance from *monopolies* (and the war has magnified their number, role and importance tenfold) without advancing towards socialism.

Either we have to be revolutionary democrats in fact, in which case we must not fear to take steps towards socialism. Or we fear to take steps towards socialism, condemn them in the Plekhanov, Dan or Chernov way, by arguing that our revolution is a bourgeois revolution, that socialism cannot be “introduced”, etc., in which case we inevitably sink to the level of Kerensky, Milyukov and Kornilov, i.e., we in a *reactionary-bureaucratic* way suppress the “revolutionary-democratic” aspirations of the workers and peasants.

There is no middle course.

And therein lies the fundamental contradiction of our revolution.

It is impossible to stand still in history in general, and in war-time in particular. We must either advance or retreat. It is *impossible* in twentieth-century Russia, which has won a republic and democracy in a revolutionary way, to go forward without *advancing* towards socialism, without taking steps towards it (steps conditioned and determined by the level of technology and culture: large-scale machine production cannot be “introduced” in peasant agriculture nor abolished in the sugar industry).

But to fear to advance *means* retreating—which the Kerenskys, to the delight of the Milyukovs and Plekhanovs, and with the foolish assistance of the Tseretelis and Chernovs, are actually doing.

The dialectics of history is such that the war, by extraordinarily expediting the transformation of monopoly capitalism into state-monopoly capitalism, has *thereby* extraordinarily advanced mankind towards socialism.

Imperialist war is the eve of socialist revolution. And this not only because the horrors of the war give rise to proletarian revolt—no revolt can bring about socialism unless the economic conditions for socialism are ripe—but because state-monopoly capitalism is a complete *material* preparation for socialism, the *threshold* of socialism, a rung on the ladder of history between which and the rung called socialism *there are no intermediate rungs*.

Our Socialist-Revolutionaries and Mensheviks approach the question of socialism in a doctrinaire way, from the standpoint of a doctrine learnt by heart but poorly understood. They picture socialism as some remote, unknown and dim future.

But socialism is now gazing at us from all the windows of modern capitalism; socialism is outlined directly, *practically*, by every important measure that constitutes a forward step on the basis of this modern capitalism.

What is universal labour conscription?

It is a step forward on the basis of modern monopoly capitalism, a step towards the regulation of economic life as a whole, in accordance with a certain general plan, a step towards the economy of national labour and towards the prevention of its senseless wastage by capitalism.

In Germany it is the Junkers (landowners) and capitalists who are introducing universal labour conscription, and therefore it inevitably becomes war-time penal servitude for the workers.

But take the same institution and think over its significance in a revolutionary-democratic state. Universal labour conscription, introduced, regulated and directed by the Soviets of Workers', Soldiers' and Peasants' Deputies, will *still not* be socialism, but it will *no longer* be capitalism. It will be a tremendous *step towards* socialism, a step from which, if complete democracy is preserved, there can no longer be any retreat back to capitalism, without unparalleled violence being committed against the masses.

The Struggle Against Economic Chaos—and the War

A consideration of the measures to avert the impending catastrophe brings us to another supremely important question, namely, the connection between home

and foreign policy, or, in other words, the relation between a war of conquest, an imperialist war, and a revolutionary, proletarian war, between a criminal predatory war and a just democratic war.

All the measures to avert catastrophe we have described would, as we have already stated, greatly enhance the defence potential, or, in other words, the military might of the country. That, on the one hand. On the other hand, these measures cannot be put into effect without turning the war of conquest into a just war, turning the war waged by the capitalists in the interests of the capitalists into a war waged by the proletariat in the interests of all the working and exploited people.

And, indeed, nationalisation of the banks and syndicates, taken in conjunction with the abolition of commercial secrecy and the establishment of workers' control over the capitalists, would not only imply a tremendous saving of national labour, the possibility of economising forces and means, but would also imply an improvement in the conditions of the working *masses*, of the majority of the population. As everybody knows, economic organisation is of decisive importance in modern warfare. Russia has enough grain, coal, oil and iron; in this respect, we are in a better position than any of the belligerent European countries. And given a struggle against economic chaos by the measures indicated above, enlisting popular initiative in this struggle, improving the people's conditions, and nationalising the banks and syndicates, Russia could use her revolution and her democracy to raise the whole country to an incomparably higher level of economic organisation.

If instead of the "coalition" with the bourgeoisie, which is hampering every measure of control and sabotaging production, the Socialist-Revolutionaries and Mensheviks had in April effected the transfer of power to the Soviets and had directed their efforts not to playing at "ministerial leapfrog", not to bureaucratically occupying, side by side with the Cadets, ministerial, deputy-ministerial and similar posts, but to guiding the workers and peasants in *their* control *over* the capitalists, in their war against the capitalists, Russia would now be a country completely transformed economically, with the land in the hands of the peasants, and with the banks nationalised, i.e., would *to that extent* (and these are extremely important economic bases of modern life) be *superior* to all other capitalist countries.

The defence potential, the military might, of a country whose banks have been nationalised is *superior* to that of a country whose banks remain in private hands. The military might of a peasant country whose land is in the hands of peasant committees is *superior* to that of a country whose land is in the hands of landowners.

Reference is constantly being made to the heroic patriotism and the miracles of military valour performed by the French in 1792-93. But the material, historical economic conditions which alone made such miracles possible are forgotten. The suppression of obsolete feudalism in a really revolutionary way, and the

introduction throughout the country of a superior mode of production and free peasant land tenure, effected, moreover, with truly revolutionary democratic speed, determination, energy and devotion—such were the material, economic conditions which with “miraculous” speed saved France by *regenerating* and *renovating* her economic foundation.

The example of France shows one thing, and one thing only, namely, that to render Russia capable of self-defence, to obtain in Russia, too, “miracles” of mass heroism, all that is obsolete must be swept away with “Jacobin” ruthlessness and Russia renovated and regenerated *economically*. And in the twentieth century this cannot be done merely by sweeping tsarism away (France did not confine herself to this 125 years ago). It cannot be done even by the mere revolutionary abolition of the landed estates (we have not even done that, for the Socialist-Revolutionaries and Mensheviks have betrayed the peasants), by the mere transfer of the land to the peasants. For we are living in the twentieth century, and mastery over the land *without mastery over the banks* cannot regenerate and renovate the life of the people.

The material, industrial renovation of France at the end of the eighteenth century was associated with a political and spiritual renovation, with the dictatorship of revolutionary democrats and the revolutionary proletariat (from which the democrats had not dissociated themselves and with which they were still almost fused), and with a ruthless war declared on everything reactionary. The whole people, and especially the masses, i.e., the *oppressed* classes, were swept up by boundless revolutionary enthusiasm; *everybody* considered the war a just war of defence, as it *actually was*. Revolutionary France was defending herself against reactionary monarchist Europe. It was not in 1792-93, but many years later, *after* the victory of reaction within the country, that the counter-revolutionary dictatorship of Napoleon turned France’s wars from defensive wars into wars of conquest.

And what about Russia? We continue to wage an imperialist war in the interests of the capitalists, in alliance with the imperialists and in accordance with the secret treaties the tsar concluded with the capitalists of Britain and other countries, promising the Russian capitalists in these treaties the spoliation of foreign lands, of Constantinople, Lvov, Armenia, etc.

The war will remain an unjust, reactionary and predatory war on Russia’s part as long as she does not propose a just peace and does not break with imperialism. The social character of the war, its true meaning, is not determined by the position of the enemy troops (as the Socialist-Revolutionaries and Mensheviks think, stooping to the vulgarity of an ignorant yokel). What determines this character is the *policy* of which the war is a continuation (“war is the continuation of politics”), the *class* that is waging the war, and the aims for which it is waging this war.

You cannot lead the people into a predatory war in accordance with secret treaties and expect them to be enthusiastic. The foremost class in revolutionary

Russia, the proletariat, is becoming increasingly aware of the criminal character of the war, and not only have the bourgeoisie been unable to shatter this popular conviction, but, on the contrary, awareness of the criminal character of the war is growing. The proletariat of *both metropolitan cities* of Russia has definitely become internationalist!

How, then, can you expect mass enthusiasm for the war!

One is inseparable from the other—home policy is inseparable from foreign policy. The country cannot be made capable of self-defence without the supreme heroism of the people in boldly and resolutely carrying out great economic transformations. And it is impossible to arouse popular heroism without breaking with imperialism, without proposing a democratic peace to all nations, and without thus turning the war from a criminal war of conquest and plunder into a just, revolutionary war of defence.

Only a thorough and consistent break with the capitalists in both home and foreign policy can save our revolution and our country, which is gripped in the iron vice of imperialism.

The Revolutionary Democrats and the Revolutionary Proletariat

To be really revolutionary, the democrats of Russia today must march in very close alliance with the proletariat, supporting it in its struggle as the only thoroughly revolutionary class.

Such is the conclusion prompted by an analysis of the means of combating an impending catastrophe of unparalleled dimensions.

The war has created such an immense crisis, has so strained the material and moral forces of the people, has dealt such blows at the entire modern social organisation that humanity must now choose between perishing or entrusting its fate to the most revolutionary class for the swiftest and most radical transition to a superior mode of production.

Owing to a number of historical causes—the greater backwardness of Russia, the unusual hardships brought upon her by the war, the utter rottenness of tsarism and the extreme tenacity of the traditions of 1905—the revolution broke out in Russia earlier than in other countries. The revolution has resulted in Russia catching up with the advanced countries in a few months, as far as her *political* system is concerned.

But that is not enough. The war is inexorable; it puts the alternative with ruthless severity: either perish or overtake and outstrip the advanced countries *economically as well*.

That is possible, for we have before us the experience of a large number of

advanced countries, the fruits of their technology and culture. We are receiving moral support from the war protest that is growing in Europe, from the atmosphere of the mounting world-wide workers' revolution. We are being inspired and encouraged by a revolutionary-democratic freedom which is extremely rare in time of imperialist war.

Perish or forge full steam ahead. That is the alternative put by history.

And the attitude of the proletariat to the peasants in such a situation confirms the old Bolshevik concept, correspondingly modifying it, that the peasants must be wrested from the influence of the bourgeoisie. That is the sole guarantee of salvation for the revolution.

And the peasants are the most numerous section of the entire petty-bourgeois mass.

Our Socialist-Revolutionaries and Mensheviks have assumed the reactionary function of keeping the peasants under the influence of the bourgeoisie and leading them to a coalition with the bourgeoisie, and not with the proletariat.

The masses are learning rapidly from the experience of the revolution. And the reactionary policy of the Socialist-Revolutionaries and Mensheviks is meeting with failure: they have been beaten in the Soviets of both Petrograd and Moscow.⁹ A "Left" opposition is growing in both petty-bourgeois-democratic parties. On September 10, 1917, a city conference of the Socialist-Revolutionaries held in Petrograd gave a two-thirds majority to the *Left* Socialist-Revolutionaries, who incline towards an alliance with the proletariat and reject an alliance (coalition) with the bourgeoisie.

The Socialist-Revolutionaries and Mensheviks repeat a favourite bourgeois comparison—bourgeoisie and democracy. But, in essence, such a comparison is as meaningless as comparing pounds with yards.

There is such a thing as a democratic bourgeoisie, and there is such a thing as bourgeois democracy; one would have to be completely ignorant of both history and political economy to deny this.

The Socialist-Revolutionaries and Mensheviks needed a false comparison to *conceal* the indisputable fact that between the bourgeoisie and the proletariat stand the *petty bourgeoisie*. By virtue of their economic class status, the latter inevitably vacillate between the bourgeoisie and the proletariat.

The Socialist-Revolutionaries and Mensheviks are trying to draw the petty bourgeoisie into an alliance with the bourgeoisie. That is the whole meaning of

⁹On August 31 (September 13), 1917, the Petrograd Soviet for the first time passed, by a majority of 279 to 115, with 50 abstentions, a motion tabled by the Bolshevik group, emphatically rejecting the policy of compromise with the bourgeoisie. The resolution called for the transfer of all power to the Soviets and outlined a programme for revolutionary changes in the country. A few days later the Bolshevik Party won yet another major victory. On September 5 (18) the Moscow Soviet of Workers' and Soldiers' Deputies carried a similar Bolshevik motion by a majority of 355 votes.

their “coalition”, of the coalition cabinet, and of the whole policy of Kerensky, a typical semi-Cadet. In the six months of the revolution this policy has suffered a complete fiasco.

The Cadets are full of malicious glee. The revolution, they say, has suffered a fiasco; the revolution has been *unable* to cope either with the war or with economic dislocation.

That is not true. It is the *Cadets*, and the *Socialist-Revolutionaries* and *Mensheviks* who have suffered a fiasco, for this alliance has ruled Russia for six months, only to increase economic dislocation and confuse and aggravate the military situation.

The more complete the fiasco of the *alliance* of the bourgeoisie and the *Socialist-Revolutionaries* and *Mensheviks*, the sooner the people will *learn their lesson* and the more easily they will find the *correct* way out, namely, the alliance of the peasant poor, i.e., the majority of the peasants, and the proletariat.

September 10–14, 1917