

POLITICAL

EDUCATION

**THE  
TWO  
WORLDS**

INTERNATIONAL  PUBLISHERS

15 CENTS



# POLITICAL EDUCATION

PART ONE

THE TWO WORLDS



INTERNATIONAL PUBLISHERS  
NEW YORK

*Copyright, 1935, by*  
International Publishers Co., Inc.

First edition, Jan., 1935  
Second edition, May, 1935  
Third edition, July, 1936

*Printed in the U. S. A.*  
*Union labor throughout*

## PART I

### TWO WORLDS

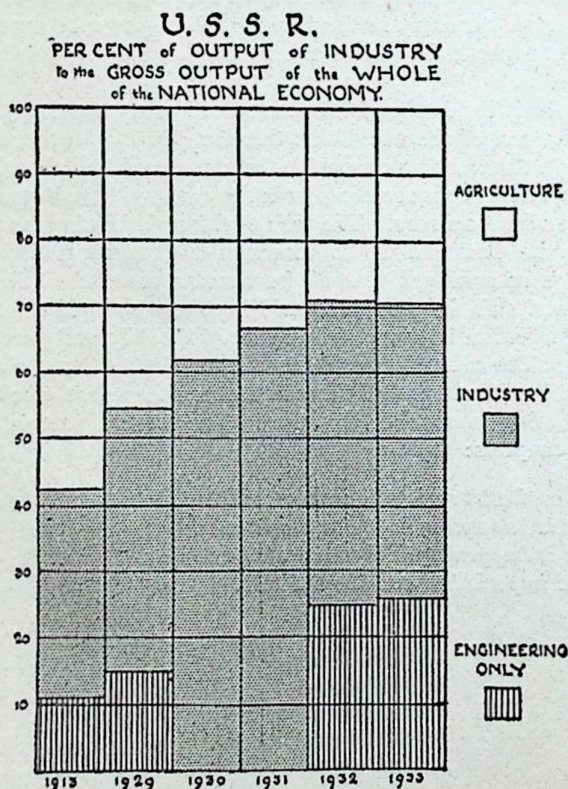
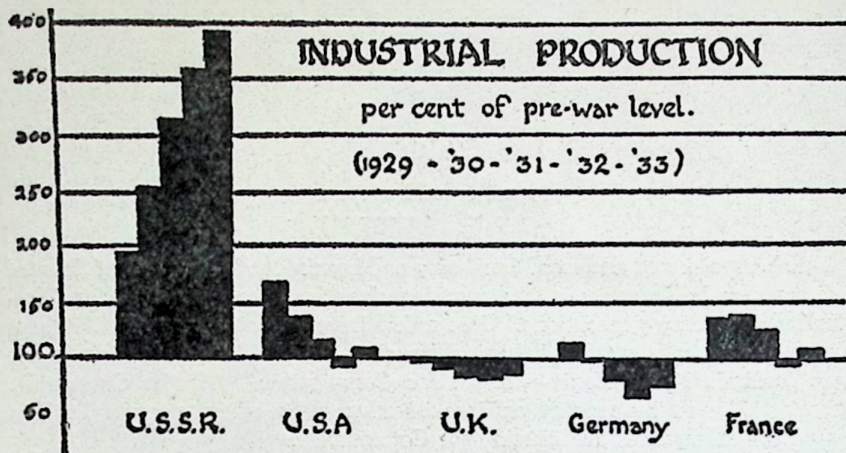
The best minds of advanced humanity and hundreds of thousands of devoted fighters for the interests of the working class have been fighting for Communism for many generations. Not a few have fallen in that fight. Those great teachers and leaders of the working class—Karl Marx, Frederick Engels and Vladimir Ilyich Lenin—fought for Communism. All the Communist Parties, followed by tens of millions of advanced workers, peasants, toilers throughout the world, are fighting for Communism.

Over one-sixth of the globe, in the territory of the former Russian Empire, the working class and peasantry, in November 1917, put an end to the rule of the capitalists and landlords. The old Russia of the Tsars became the Union of Soviet Socialist Republics, the country of the proletarian dictatorship. The U.S.S.R. is the only country in the world in which power belongs to the working class. Throughout the rest of the world, power belongs to the capitalists and landlords.

The system existing in the U.S.S.R. is so different from the system existing throughout the rest of the world that there are, in fact, two separate worlds. In the U.S.S.R. the working class with the support of the labouring masses of the peasantry, having conquered power in the country, have begun to refashion the life of the whole country. The task of this refashioning is to achieve the final aim of the Communists, to construct a Communist society. In the U.S.S.R. life is so arranged that all its benefits go to the toilers, whilst in capitalist countries all the good things of life go to the rich idlers and parasites. The world of socialism is young, full of strength, boldly and practically building a new life. The capitalist world is senile, feeble, rotting at the roots.

How is that? What is the difference between these two worlds? That is what we are going to show in this part. The present part is divided into the following chapters:

1. *How capitalist society is constructed.*
2. *What is happening in the capitalist world.*
3. *What is happening in the land of the Soviets.*
4. *World imperialism and the U.S.S.R.*



# I

## HOW CAPITALIST SOCIETY IS CONSTRUCTED

### Exploitation Is the Foundation of the Capitalist System

All the factories, machines, railroads, mines, estates, steamships and banks in capitalist society belong to the capitalist class.

The mills and factories work up a great quantity of things. Clearly the factory owner is not interested in these things because he needs them for his own use. The only thing that interests him is the profit to be got from the sale of the products of his manufacture. Certainly, even though Henry Ford took a new car for himself every day, thirty machines a month would be enough for him. But in 1933, Ford was turning out about 32,000 passenger cars a month while in 1929 he produced 110,000 a month.

All the products made in capitalist enterprises are thrown upon the market, become objects for buying and selling, that is, are converted into commodities.

### Capitalist Economy Is Commodity Economy

Capitalist economy is commodity economy, but not every commodity economy has to be capitalist. If, let us say, a cobbler with his own means of production manufactures shoes for sale on the market, then his economy is also a commodity one, but it is still not a capitalist one. Such a cobbler is not a capitalist but a *petty commodity producer*. He becomes a capitalist when he hires workers to work for him, when he makes profit out of their labour, when he becomes an *exploiter*. The same with the middle-class peasant. He himself, aided by his family, with his own means of production (tools, seed, etc.) produces corn, and by selling the surplus turns part of his corn into a commodity. The middle-class peasant is a petty commodity producer. The well-to-do peasant or farmer who exploits hired labour, landless peasants, and also in various ways exploits poor peasants (by renting them land, loaning them tools for production, money-lending, etc.) is quite another matter. He is a *village capitalist*.

The class of big owners of the means of production—exploiters (bourgeoisie, bankers, landlords) is a tiny minority in human society. But, since it holds in its hands all of the factories, mills, land and the best part of all other means of production, this tiny class commands armies of tens of hundreds of millions of *wage workers*.

The army of wage workers consists of people deprived of all means of production and living only by the sale of their labour power. They are forced to sell their labour power because their workers' hands are their only means of existence. This army of wage workers is the working class, *the class of proletarians, the proletariat*.

Under capitalist conditions labour power is also a *commodity*. The worker is forced to sell his labour power to the capitalist or die of hunger. The army of those selling their labour power is immense; it is growing continuously at the expense of those peasants who are ruined, of the handicraft workers,

of the petty-bourgeoisie. In this way not only is a market created for the buying and selling of clothes, boots, meat, buttons, etc., but also a market for labour power.

The class of capitalists and the class of proletarians are opposed to one another. The capitalists are interested in squeezing from the workers the greatest possible revenues for themselves. The whole capitalist system is so conducted that the factory worker expends more labour than *he is paid for*. If, let us say, four hours' work is sufficient for the worker to create production equal in value to his wages, and the working day is ten hours long, then clearly for the extra six hours the worker is working free for the capitalist, creating *surplus value*.

Lenin explains surplus value as follows:

The wage worker sells his labour power to the owner of land, factories, instruments of labour. The worker spends one part of the working day in covering the expenses of maintaining himself and his family (wages), while for the rest of the day the worker works for nothing, creating surplus value for the capitalist, the source of profit, the source of the wealth of the capitalist class.

Since it is the owner of all the chief means of production the capitalist class as a whole appropriates the unpaid labour of the workers, creating surplus value for the capitalists. *Capitalist exploitation is the appropriation by the bourgeoisie of the surplus value created by the proletariat.*

The capitalists spend a considerable part of the surplus value on their personal needs and fancies, on luxury and waste, on corruption and debauchery. Another part they spend on enlarging their enterprises. A considerable portion of surplus value goes to maintain the state apparatus of the bourgeoisie, its officials, its military machine, police, church, etc., to the system of oppressing the proletariat.

In this way the proletariat under capitalism maintains all the parasites and oppressors of the working class.

### The Contradictions of Capitalist Society

The capitalist method of production is so constructed that *the masses work while the product of their labour belongs to a handful of exploiters*. Goods are produced in a capitalist enterprise by the efforts of many thousands of workers *who work together, collectively*. But what they produce is appropriated by the employer, by various private persons. This production is *the property of the capitalists*. The distribution of this production takes place in such a way that the workers get a wretched share of it in the shape of wages, but the whole mass of goods produced forms the property of the factory owners.

The greater the development of capitalism, the bigger the mills and factories which began to gather in scores of thousands of workers, the clearer it became that production, which could thus draw in great masses of workers, bears a *social character*.

The yarn, cloth, metal goods which are to-day turned out of the mills and factories—wrote Engels—represent the product of the labour of a multitude of workers who have each in turn applied their efforts to them before they assumed their final form



so that no one individual of them can say, "I did this, this is *my* product." (*Anti-Dühring*.)

The labour of the great social collective is divided into different kinds of production, into various specialties. While remaining separate, at the same time they supplement one another, are closely connected and form one stream of social production. Under capitalist conditions the product of this social labour is in the possession of *private owners, of capitalists, and not of society as a whole. This is the chief contradiction of capitalism, the contradiction between the social character of production and the private capitalist character of appropriation.* From this chief contradiction come all the other contradictions of capitalism, the development and deepening of which are leading to the collapse of capitalist society.

Let us examine these conditions.

With the rise of capitalist enterprises and the formation of *social* production with *private* appropriation of the product of social labour, two opposed classes are formed: on the one hand the class of proletarians, on the other hand the class of capitalists.

In this way the contradiction between the social character of production and the private character of appropriation has given birth to contradiction between the classes, between the proletariat and the bourgeoisie.

Yet another contradiction arises from the capitalist method of production, by which the goods produced do not belong to the producers but to the owners of the pits and factories. Enterprises are built and work according to a special order. Machines and mechanisms demand discipline and organisation in production. Therefore along with the social character of labour we get *the organisation of production inside the pits and factories.*

But the organisation of production within each factory by no means gives a guarantee or means that production is organised throughout society. Every owner of the means of production, every capitalist is only concerned about the amount of profit he gets. According to Engels, the peculiarity of commodity economy is found in the fact that:

No one knows how much of the product he makes is going to come on the market and to what extent he can find consumers for it. No one knows whether his commodity will find a consumer, whether he will make up his expenses of production, or even whether it will be sold at all. Anarchy reigns in social production. (*Anti-Dühring*.)

Every capitalist tries to circumvent, to overcome, to drive off the market every other capitalist who stands in his way. A big firm tries to smash a small one so as to be able to sell its goods in larger quantities and consequently to get bigger profits. A small factory can't hold out in a fight against a big one. A big factory-owner or landlord can always produce more cheaply.

He owns the best machines and the best land, and the best machines and the best land give the greater production, so that the goods produced can be put on the market at a price which will give a chance to drive out a rival, to rule the market and so raise prices again. Not for nothing did Marx and Engels dub the low prices of commodities the heavy artillery of the bourgeoisie.

This struggle among the capitalists for the market, to push out rival firms, is called *competition*. It is one of the chief distinguishing features of capitalist economy.

So the contradiction between the social character of production and the private capitalist character of appropriation gives birth to *anarchy of production and competition throughout capitalist economy*.

### The Impoverishment of the Masses—the Accompaniment of Capitalism

The race for profit, the competitive struggle, spurs on the capitalist to extend his existing enterprises, to put more powerful machines in them, to improve the organisation and technique of production.

With the profits he has gained he builds new workshops in his factories. This allows him to drive out or absorb (by purchase) the enterprise of his weaker rival, the owner of a small workshop or factory. In this way there takes place on the one hand a consolidation of production (concentration), and on the other hand a grouping (centralisation) of capital in the hands of the bigger capitalists. In proportion as capitalist production develops, this consolidation of capital and absorption of the small producer by the larger producer continually grows. It is largely helped on by the growth of technique which the capitalist introduces into production.

This the factory-owner does, not because he is a supporter of science and technique or a lover of invention, but because he might otherwise prove weaker than his rival and be destroyed.

Machines that are newly perfected and operate more rapidly compel the worker to work with ever greater strain. In the same period of time he spends more strength, energy and health. His labour becomes, as it is termed, *more intensive*, that is, more strained. The working day becomes so condensed that the worker quickly grows exhausted, more liable to sickness, while injuries and fatalities increase.

Aided by more developed machinery the capitalist squeezes still more surplus value out of the worker, that is to say, he still further increases the exploitation of his workers.

*Technical progress, the perfecting of mechanical technique, capitalist rationalisation increases the exploitation of each individual worker and of the working class as a whole.*

The growth of technique allows the capitalist to make shift with five or six workers where once some dozen people worked. What once was done by hand and called for hundreds of workers, a machine does quicker and better under the supervision of just a few people. The capitalist turns the surplus workers out on the street. Development takes place in the capitalist world in such a way that the number of people ready to sell their labour power is always greater than the increase in the demand for hands. Even in years of industrial prosperity there is a surplus of idle workers at the factory gates. So a *reserve army of labour* is created, ready at any moment to satisfy the capitalists' demand for labour power.

The introduction of powerful machines so simplifies the actual process of production that it permits the replacement of skilled workers by unskilled,

or by women, and even by children and the disabled. This is more advantageous for the capitalist since women's and children's labour is cheaper and women and children in the class struggle are less steady and organised.

The growth of machine production is accompanied under capitalism, as has been stated already, by the ruin of the small enterprises and artisan workshops. They cannot sustain the competition of the big capitalist firms.

Capitalism also inexorably ruins the greater number of small and medium peasant holdings through the growth of the large holdings of the landlords and well-to-do capitalist farmers.

The ruined petty industrialists, artisans, small traders, peasants, are compelled to become wage earners, become *proletarianised*, and from their side also increase the army of unemployed.

*So unemployment is an inevitable accompaniment of capitalism.* The presence of a permanent surplus of labour power, or of a reserve army of labour, allows the bourgeoisie systematically to lower wages, increase the working day and in various other ways to intensify the exploitation of the workers.

In capitalist countries the presence of great masses of workers and ruined peasants who have been cast aside influences the general condition of the toilers. Those who are at work lose their confidence in what to-morrow will bring. The army of workless has its ranks increased by the ruined peasants, artisans, etc. The general impoverishment of the masses grows. This is the inevitable consequence of *capitalist accumulation*, of the development of capitalism.

In the capitalist camp on the other hand, wealth, luxury and idleness are on the increase.

The impoverishment of the masses, of many millions of toilers, on the one hand, and the concentration of all the good things of life in the hands of a class of parasites and exploiters on the other, lead to a keen sharpening of the contradictions between proletariat and bourgeoisie.

### Whither Are the Contradictions of Capitalism Leading?

Let us take any capitalist country during a period of boom and general revival in production and trade. The capitalists all vie with one another in throwing as many goods as possible upon the market, in fighting for raw materials, etc. These are good times for the capitalists—they can sell at crazy prices. Then a year or two passes. The capitalists suddenly notice that certain goods are not bought up so quickly, that they are beginning to lie unsold for a long time—there are too many of them. It is no longer so easy to market them. Prices are falling. Competition, the struggle between the capitalists to market their goods, intensifies. Some of them cannot pay their debts for raw materials, since the money they have invested in goods (payments for raw materials, labour power, taxes, etc.) does not come back—the goods are unsold. Banks crash since they cannot fulfil their obligations to their depositors. Those industrialists and merchants fail who have been unable to bear up against the fall in prices. *A crisis* has begun. Of course the working class feels the weight of the crisis most. Thousands of workers are thrown out on the streets. Unemployment and poverty grow. The wages of those still at work are cut down.

The first reason for the crisis is the fundamental *contradiction between the social character of production and private appropriation*. In fact, but for that contradiction—that is to say, if society itself disposed of social labour and the results of social labour were distributed by society itself—there would be no bourgeois class, there would be no enrichment of a tiny handful of people and the impoverishment of the majority of society, the workers and other toilers, and there would be no anarchy of production, no crises. But then *capitalism* itself would not exist.

Consequently, *the cause of crises is to be found in the capitalist system itself*. To avoid crises, it is necessary to destroy the capitalist system.

How do the capitalists get out of a crisis?

They cut down production, destroy a portion of the goods produced. Gradually, though at low prices, the stocks of goods are reduced. The capitalists win new markets, intensify the exploitation of the workers. Further, the low prices and the effort to get a profit at these prices compel the capitalists to improve the technique of their enterprises, to instal improved machines, tools and benches. This leads to a demand for new machinery. The prices rise. Those sections of industry producing machinery begin to revive and expand. A part of the workers is drawn back into production. This leads to an increase in the demand for consumption goods. The revival and boom spread next to those sections producing clothes, food products, etc.

A general period of prosperity begins, to be followed again after a definite period by a fresh crisis. Crises inevitably occur every eight, ten or twelve years in the capitalist world.

In 1929, a crisis of such proportions broke out in the capitalist world as the history of capitalism has never before known. Joseph Stalin said about this crisis that it is "the most serious and profound world economic crisis that has ever occurred."

The development of capitalism from crisis to crisis is accompanied by the impoverishment of the masses. Lenin emphasised that after each crisis the workers grow poorer and poorer. "The worker," Lenin wrote, "becomes absolutely poorer than before, is forced to live worse, to eat less, to be more under-nourished, to huddle into cellars and attics."

The impoverishment of the masses becomes especially glaring in times of crisis. In such periods the indignation of the masses against the capitalist systems grows particularly fast.

Capitalist society experiences the greatest accentuation of all its contradictions in the epoch of its highest development, in the epoch of *imperialism*.

Lenin in his books revealed in great detail the nature of imperialism as *the last stage of capitalism, the epoch of wars and revolutions, the eve of the world proletarian revolution*.

Let us here examine the chief features of *imperialism*.

### The Monopolist Combinations of Capitalists—the Trusts, Syndicates and Cartels

We have seen how in the course of competition in place of several small and medium enterprises, a large one arises, devouring the smaller and weaker ones. Especially during a crisis does this process of concentration of produc-

tion take place, that is to say, the creation of a large enterprise in place of the weaker and more backward ones which have been forced out. This process of the concentration of production is also a process of the concentration of capital in the hands of an ever-smaller number of the handful of big capitalists.

As a result of the growth of industry and the absorption of small enterprises by large ones, a huge amount of capital has accumulated in the hands of a small group of the most powerful factory and mill owners. In order to get the maximum profit and to compete most advantageously with other groups the capitalists owning the largest enterprises in one or several related branches of industry, have created combinations which they call trusts, corporations, syndicates, and so on. With such combinations, the big capitalists are able almost without hindrance to dictate market prices and more successfully to fight against those competitors who are outside the trusts and act separately, or against weaker combinations.

Such great *unifications of capital*, comprising the greater part of any section of industry, are called *monopolies*. Monopoly means domination of the market, the possibility of fixing prices, the amount of production and the conditions of trade, etc.

To what an immense extent monopolies are being created can be seen from the example of the U. S. Steel Corporation, controlled by J. P. Morgan & Co., international bankers. This trust has total assets of over two billion dollars. It owns 136 works and 101 blast furnaces. In 1932, this trust had nearly 40% of the rated ingot capacity of raw steel.

By the beginning of the 20th century half the world's capital was in the hands of such unifications—syndicates and trusts. In the U.S.A., by 1904, according to John Moody's *The Truth About the Trusts*, one leading company exercised control in each of the following industries: wool, 60%; glassware, 50% to 70%; paper, 60%; chemicals, 70%. The world's oil industry outside the U.S.S.R. is largely dominated by two trusts—the American Standard Oil and the British "Royal Dutch Shell."

Lenin says that monopoly "is one of the most important phenomena, if not the most important, in the economy of modern capitalism," and that in Europe "it is possible to fix pretty exactly the time when the old capitalism gave way to the new, namely, the commencement of the twentieth century."

Monopoly has replaced the old free competition of separate, individual capitalists, unknown to one another. But this has meant not the liquidation but the intensification of the competitive struggle. The monopolies embracing separate branches of industry in one or several countries carry on among themselves a sterner battle for markets, raw materials, cheap labour power, for natural resources and for colonies. Nor do monopolies put an end to the conflicts of the capitalists within the trusts. Competition within the trusts assumes the form of a fight for influence, for "a controlling voice," that is for a majority of the shares so that one capitalist may get the control of a trust or syndicate.

This competition of powerful monopolies among themselves and within the monopolies, as well as the fight of the trusts against those firms which are outside the monopolies, leads to even greater anarchy of production, to an acute sharpening of the contradictions of capitalism, to a deeper and more prolonged crisis.

Monopoly is the chief feature of the new, imperialist stage of capitalism. "Imperialism is the monopoly stage of capitalism," Lenin declared. (See Lenin's *Imperialism, the Highest Stage of Capitalism*, Little Lenin Library, Vol. 15.)

### Finance Capital

The role of monopoly will not be clear enough unless we deal with the new part played by the banks.

Banks arose as intermediary organisations in the monetary transactions of capitalist firms. When a firm has to pay out a large sum of money to other capitalists, but at the moment has no ready cash, it has to get a loan from somewhere. The loan is obtained from the bank. Of course the bank only gives credit in return for a good rate of interest. But the capitalist or the company also gets interest when it deposits money in the bank. The capitalist is interested in the bank both when he has not got sufficient money and when he has a surplus.

When he has not got enough money the bank gives him credit. But it also happens that the manufacturer or the trust gets a sudden flow of cash and cannot at once put it into circulation—perhaps because his business has a seasonal character, and at the moment is slack, or because it is not a suitable moment for buying raw material, or he has changed his plans and postponed for a while the construction of new enterprises. To keep the money idle, without bringing him in an income, is against the rules for a capitalist and is not profitable. The capitalist puts his money in a bank so that it may meanwhile earn interest. That is profitable for the bank. It collects its depositors' money at low interest and loans it to various capitalists at high interest. The money it gets from one capitalist who at the moment has a surplus, it transfers to another who happens just then to be in need of credit. This is a profitable operation for the bank. The bank uses every effort to collect deposits not only from the capitalists, but from small property owners, employees, teachers, technicians, farmers, workers, and accumulating means in this way it puts them at the disposal of the capitalists. The more circulating capital a bank has the wider it can extend its activities. But in giving loans a bank must feel confident that the firm getting credit will be in a position to pay its debts on time. So the bank begins to insinuate itself into the firm's business, to control its activity.

If the firm is a corporation the bank acquires its shares and is thus able to influence its activity from within the firm itself, putting its representatives on the board, etc. Another tactic pursued by banks is to acquire virtual control by loans to firms.

On the other hand the firms who are the bank's customers are also interested in the condition of the bank, for if the bank were to crash, the capital invested in it by the various firms would also be lost, which would lead to the bankruptcy of these enterprises. So industrial enterprises also try to influence banking affairs. They also get their people into the leading organs of the banks. The firms are interested in doing this both that they may preserve their deposits and that they should not be refused credit when they need it.

Competition among the banks leads to the growth of powerful banking mergers, to the *concentration* of banking. This takes place just as in industry.

The banking mergers become all-powerful monopolies, having at their disposal almost the whole money capital of large and small employers, all the means of production and sources of raw material. They command the whole of industry, the whole economy of a country, or even of several countries. The same little group of capitalists owns industrial enterprises, banks and transport. There takes place, as Lenin says, "the personal union of the banks with the big industrial and commercial enterprises."

In this way the organic unity, the merging of industrial and financial capital takes place. Lenin wrote: "The concentration of production; monopolies growing out of this, the merging or unification of the banks with industry—this is the story of the rise of finance capital. . . ."

From what has been said it is clear that *imperialism is the period of the rule of finance capital.*

### The Export of Capital, the Division of the World and the Struggle for Its Redivision

With the growth of finance capital the needs of the great capitalist powers for new markets and sources of raw materials grow sharply also. Up to about the close of the nineteenth century the capitalists of one country could export their goods to other countries without coming into conflict with the capitalists of these countries. England, which became a country of industrial capitalism before any other, felt the need to sell her goods and get raw materials. She carried on a widespread trade, exporting various manufactured goods (textiles, iron goods, etc.) and getting the name of "workshop of the world," as she undoubtedly was. She was able to trade in Asia, Africa and America almost without encountering opposition. But because of the development of capitalism in other countries, which in their turn seized a number of backward countries, the unhampered circulation of English goods met with difficulties in all the world's markets. German, French and other capitalists also began to appear on the world markets. Cutting themselves off from foreign competition by tariffs, these countries, thanks to the savage exploitation of their workers by the capitalists, managed to accumulate big amounts of capital. The impoverishment of the masses did not allow them to use this capital for the production and sale of goods internally. So there arose a surplus of capital which the capitalists began to export to the colonial and semi-colonial countries in order to construct enterprises there, build railroads and so on. *Consequently with the rise of finance capital the export of capital on a vast scale becomes characteristic.*

Of course, capital at first sought out the backward countries, since they produce a greater profit. These countries have little capital, land is cheap, labour can be got for next to nothing, raw materials also and so on. The export of capital becomes a very widespread phenomenon from the commencement of the twentieth century. It is accompanied as a rule by the complete or partial seizure of that country to which the big capitalist state exports its capital. To conquer various countries and to protect the capital exported there the countries of finance capital create great armies. To protect goods in transit and to get new ports the capitalist countries build

battleships, cruisers, submarines, destroyers, etc. In these countries armaments inevitably grow, or as it is usually put, *militarism* grows.

By 1914 the whole world had been already divided up by the big capitalist powers and henceforth it could only be a question of redividing the world.

In 1915 Lenin wrote the following about the division of the world:

The policy of the capitalist countries *has put an end to* the seizure of the unoccupied territories on our planet. For the first time the world has already been divided up, so that the future can *only* mean redivision, that is the transfer from one "owner" to another, and not from being "without a master" to "a master."

But the redivision of the capitalist world, seized by the strongest capitalist powers, *is only possible through war*. This means that the rule of finance capital is inevitably connected with the outbreak of imperialist wars. The world war of 1914-18 was a war for the redivision of the world.

### Imperialism Is Decaying, Dying Capitalism

The development of capitalism at the beginning of the twentieth century has led to *intensified concentration of production and capital, to the wide development of powerful monopolies, to the merging of banking and industrial capital, to the rise of finance capital and a finance oligarchy, that is to the rule of a group of financiers, to the export of capital to other countries, to the division of the world among the big monopolist alliances of capitalists, to the division of the whole earth among the great capitalist powers and to the struggle for a new redivision, to wars*.

This is the new stage of capitalism (from the end of the nineteenth and beginning of the twentieth centuries) and it is called the *imperialist* stage of capitalism—*imperialism*.

Lenin said the following about imperialism:

Imperialism is capitalism in that stage of development in which the domination of monopolies and finance capital has taken shape; in which the export of capital has acquired pronounced importance; in which the division of the world by the international trusts has begun, and in which the partition of all the territory of the earth by the greatest capitalist countries has been completed. (*Imperialism*, p. 81.)

At this stage some capitalist countries forge ahead quicker than others, for the imperialist countries develop very unevenly. This uneven development inevitably leads to military conflicts between the imperialist countries, to a military struggle for a new division or redivision of the world.

*Lenin called imperialism the last stage of capitalism, decaying capitalism.*

In the pre-imperialist epoch competition, as we have seen, gave the impulse and motive power to technical progress. Monopoly allows enterprises to reach agreements among themselves, to fix prices so as to bring in the maximum profit without introducing new machines or purchasing inventions. The trusts often buy up the blue prints of inventions in order to pigeon-hole them and prevent their being turned into machines, into tools, new equipment, or in order that some other trust may not get them and so knock the bottom out of high prices. So monopoly gives birth to stagnation, decay, artificial restraint on the development of technique and economy.



In his book, *Imperialism*, which he wrote in 1916, Lenin relates the following incident:

In America a certain Owens invented a bottle machine which revolutionized the manufacture of bottles. A German cartel of bottle manufacturers is cornering Owens' patents and putting them away, delaying their application.

Lord Melchett, the second, of Imperial Chemical Industries, Ltd., during 1931-33 made a number of speeches and wrote articles in which he favoured forbidding of all kinds of inventions, while parsons in English churches have actually offered up prayers for the stopping of all kinds of discoveries, inventions and so on. Economists and moralists discuss whether new inventions are going to "destroy civilisation."

On the other hand the robbery of the colonies permits the accumulation of huge amounts of capital in the imperialist countries. This capital has to be disposed of somewhere, to be profitably utilised. One form of profitable use of capital is the buying up of all sorts of loans, bonds and shares. This creates a class of persons who live on nothing but the revenues of their stocks.

Idleness, laziness, enjoyment and corruption are characteristic of the bourgeoisie. Millionaires frequently do not know where their enterprises are, what their factories produce, what is the equipment of a given enterprise. A special class of directors, managers, engineers, and book-keepers is hired to carry on these financial and production affairs, while the master receives his tribute to spend on entertainments, gambling, on a luxurious and idle existence.

So the bourgeoisie spends on its own personal gratification the wealth obtained by the labour of millions of wage-workers. The stagnation in technical development created by the bourgeoisie, their degeneration and parasitism, are striking facts of modern capitalism. The capitalist system in the twentieth century is consequently rotten with decay. This is why imperialism is *decaying* capitalism.

### The Collapse of Capitalism

In the period of imperialism all the contradictions of capitalism become particularly acute. Class contradictions—the struggle between the working class and bourgeoisie—become very tense. This sharpening of the class struggle inevitably leads to the revolutionary rising of the proletarian masses, to the socialist revolution. Lenin called imperialism *the eve of the proletarian revolution*.

The growth of big industry, the concentration of production, lead, as we have seen, to the working class becoming concentrated in great masses in the enterprises. This creates the basis for its unification, for its organisation, for a mutual organised struggle against the exploiters. Under the influence and leadership of its most active and class-conscious section the proletariat creates its labour organisations, trade unions, co-operatives, etc. Revolutionary decision grows in the ranks of the working class. The best, most advanced, revolutionary and conscious workers organise the political party of the proletariat, the *Communist Party*.

It is already easier for the working class to carry on its class struggle against the bourgeoisie under the leadership of the Communist Party. The Party has its programme of struggle against the exploiting class, it knows the ways and means of fighting, and of winning victory without unnecessary victims. When the Communist Party marches at the head of the working class the proletariat knows *why* and *how* to fight.

Communist Parties prepare the masses for revolutionary struggles and in revolutionary conditions lead them in the fight for the conquest of power and the setting up of *proletarian dictatorship*.

The working class has powerful allies in its struggle for proletarian dictatorship—the many million masses of peasants and farmers in the home country and the scores and hundreds of millions of oppressed workers and peasants in the colonies and semi-colonies who are groaning under the yoke of imperialist exploitation.

The degeneration of the capitalist system in the epoch of imperialism is accompanied by a growth of the sufferings, privation, poverty and want not only of the workers, but of the whole mass of toilers. It deepens the class contradictions between the exploiters as a whole and the exploited masses—between the peasants and the landlords, between the toiling masses in the colonies and the native and foreign imperialist bourgeoisie.

Therefore the working class draws both the peasantry and the toiling masses of oppressed and dependent nations on to the road of revolutionary struggle against capitalism.

The leading force in this struggle is the working class. It may be asked, why precisely is the proletariat the leader, the advance guard, in the struggle against the exploiters, in the fight for Socialism and Communism? Why not the peasantry, why not the petty commodity producers, or the town artisans?

In Russia there was a party which proclaimed itself the party of Socialist-Revolutionaries (S.R.'s)—in practice a party of the wealthy peasant-exploiters, or kulaks as the Russians call them, which actually put the question in this way, that the peasantry, forsooth, is the leading force in the revolution. But when this party, with Kerensky at its head, came to power in 1917 it proved incapable of carrying through any independent "peasant" policy and carried through the policy of the big bourgeoisie. Why did this take place? Because in the conditions of capitalist society a struggle is taking place between two chief, opposing classes, the proletariat and big bourgeoisie. All other, so-called *intermediate, sections* fight either with the working class or on the side of the bourgeoisie.

Let us see what is the chief difference between the proletariat and other classes. It is a class of wage-workers, without property, having no instruments of production, it owns nothing but its labour power. The working class is concentrated in great masses in the factories and mills. The very act of production accustoms the masses to discipline, to organisation. Thanks to this the working class, better than the peasantry or any other section, is capable of organising its ranks for the struggle against the bourgeoisie and its power. The working class fights for the destruction of the rule of the bourgeoisie because in no other way can it rid itself of its exploitation save by destroying finally the rule of the bourgeoisie and the capitalist system itself.

But if in capitalist society the peasantry, the handicraft workers, the artisans

fight against the bourgeoisie, it is only that they may save their own economy, their own property from big capital which presses down on, and ruins them. "The lower middle class, the small manufacturer, the shop-keeper, the artisan, the peasant, all these fight against the bourgeoisie to save from extinction their existence as fractions of the middle class," wrote Marx and Engels in *The Communist Manifesto*.

These scattered sections, representing a multitude of small economies, are all in competition with one another. The trouble which each one takes about his own economy does not facilitate the organisation, but rather the disconnection of these sections. They can be best organised for the general struggle against the bourgeoisie only by the working class, which alone is interested consistently in the destruction of every kind of exploitation, including the exploitation of the peasantry and other sections of the toilers by big capital. So the working class is the only revolutionary class. It is not based on private property, since it has none. The proletarians, as Marx and Engels said, "have nothing to lose but their chains, they have a world to win." "Of all the classes that stand face to face with the bourgeoisie to-day, the proletariat alone is a really revolutionary class." (*The Communist Manifesto*.)

Fighting for the overthrow of the bourgeois system, the working class fights not only for its own interests, it is fighting for the general reconstruction of human society as a whole, it is fighting for the construction of communist society, in which there will be neither poor nor rich, neither oppressed nor oppressors, neither exploited nor exploiters. All the toiling and exploited masses are interested in the creation of such a society. The working class, heading the revolutionary movement of these masses, leads them along the path of the revolutionary destruction of capitalist servitude, along the path of *proletarian revolution, the winning of the dictatorship of the working class and the construction of Socialism*.

In this way the ruling class in capitalist society, the bourgeoisie, as Marx and Engels said, "produces, above all, its own gravediggers. Its fall and the victory of the proletariat are equally inevitable." (*The Communist Manifesto*.)

"The collapse of capitalism is inevitable," said Lenin. "The revolutionary consciousness of the masses grows everywhere. A thousand signs speak of this. . . ."

"The capitalists, the bourgeoisie, can 'at best' put off the victory of Socialism in one form or another in a given country at the price of the extermination of still more hundreds of thousands of workers and peasants. But they cannot save capitalism."

Capitalism still has great means of resistance at its disposal. It wields a centuries-old, powerful, state machine. Capitalism is still able to attack the working class and its organisations through Fascist dictatorship. Capitalism still uses its agents, the social-traitors, who claim to belong to Labour, Social-Democratic, Socialist and other parties, and who in fact are trying to save capitalism.

The church and its powerful apparatus, the press, bourgeois education, books, theatre, cinema, are all powerful weapons in the hands of capital.

But the growth of the class-consciousness of the workers, the growth of their degree of organisation and adherence to the cause of the Communist Party, the growth of their militant resoluteness in the struggle against the

bourgeoisie and the ability to rely on their allies lead to the overthrow of the power of the capitalists and to the establishment of the proletarian dictatorship. The gravedigger of the capitalist system is carrying out its historic task.

## II

### WHAT IS HAPPENING IN THE CAPITALIST WORLD TO-DAY

#### The General Crisis of Capitalism

The imperialist war of 1914-18 shook the whole system of world capitalism and marked the beginning of the period of its general crisis, that is a crisis of the whole capitalist system.

What is the evidence of a general crisis of capitalism?

The first sign of a general crisis is *the splitting of the formerly united world capitalist economy into two antagonistic systems of economy*: into the socialist system which is developing successfully, and into the capitalist system which is going through a period of decline, of terrible economic crisis. The breaking away of a sixth of the whole world from capitalism, the antagonism and struggle between these two systems is the clearest expression of the crisis of capitalism. The growth and successful construction of Socialism in the U.S.S.R. raise the revolutionary spirit and activity of the international proletariat and the colonial peoples and show them the way to their emancipation from the capitalist yoke.

The second sign is *the sharpening of the contradictions between the working class and the bourgeoisie in the imperialist countries*. The war and the post-war period have lowered to a terrible degree the standard of life of the working class. The capitalists of practically every country have carried through rationalisation (organisational and technical improvements, allowing the turning out of a greater quantity of production with less workers). A consequence of this rationalisation has been a very great increase in the exploitation of the working class, as a result of the appalling increase in the intensification of labour. Great numbers of workers have been thrown on the streets. Now there has been formed not merely a reserve army of labour, *but a permanent army of unemployed*, which will never return to the factories and mills. The proportion of permanent unemployment wavers between 8 and 20 per cent of the number of employed workers in America, Germany and England, while the percentage of all unemployed workers in 1929 to 1932 reached from 30 to 50. The existence of this army of unemployed allows capitalism to attack the wages of those workers who are employed, to cut them, to worsen their conditions of labour.

Class contradictions grow ever sharper.

The masses are more and more convinced of the bankruptcy of the capitalist system and this in itself revolutionises the workers. This contradiction in capitalist society can only be solved by the liquidation of the capitalist system itself.

The third sign is *the sharpening of the contradictions between the colonies*

and the imperialist countries. Lenin said in 1920 that after the imperialist war

The need and ruin of the masses have grown to an unheard of extent, and particularly with that one and a quarter billion people, that is with 70 per cent. of the whole population of the earth. These are the colonial countries, the dependent countries whose population is legally deprived of all rights, for whom "mandates to the financial robbers" have been given out.

During and after the war industry started up in a number of these countries and their own native working class and bourgeoisie were formed. The ruination of the many million mass of peasantry everywhere was intensified. The working class and the peasantry of the colonial countries are striving under the leadership of the proletariat to emancipate themselves from the yoke of imperialism and the oppression of their own bourgeoisie.

Evidently the colonial revolutionary movement is also a clear sign of the crisis of the whole capitalist system.

The fourth sign is the *intensification of the contradictions between the vanquished imperialist countries in the war of 1914-18 (Germany, Austria, etc.) and the victorious countries (England, France, U.S.A., etc.)*.

Lenin said in 1920 that the war of 1914-18 had flung the vanquished countries (Germany, Austro-Hungary, Bulgaria) a long way back, putting them in a position of almost complete dependence on the victorious countries.

Clearly the vanquished countries cannot accept such a position. They are trying to get rid of the heavy burden which the victorious countries have imposed upon them. The capitalists of the defeated countries are getting ready to cast off this burden of war payments and to seize new territories, new markets, new colonies, by force. But the proletariat of these countries cannot accept the double oppression, that of its own bourgeoisie and that of the bourgeoisie of the victorious countries. The intensification of these contradictions is inevitably leading to a new imperialist war and to the proletarian revolution.

Finally there is a fifth sign of the crisis of capitalism—the *intensification of the contradictions between the imperialist powers who emerged victorious from the war*.

The imperialist war did not solve the contradictions between the states fighting for domination over the world markets. On the contrary, these contradictions were deepened. To-day the sharpest kind of struggle is going on between the biggest imperialist powers for markets, for sources of raw material and cheap labour power, for spheres for profitable investments of capital. Among the powers victorious in the imperialist war a stern and terrible struggle is taking place, and above all a struggle for domination over the world market between Great Britain, who has lost her former power, and the U.S.A. which grew immensely rich out of the last war. A sharp struggle is going on between the U.S.A. and Japan for domination along the shores of the Pacific. A silent but tense struggle is going on between France and Italy and between France and England.

During the post-war period all these contradictions have grown much deeper. These contradictions can only be solved through the liquidation of the whole capitalist system.

## The World Economic Crisis

The contradictions of the capitalist world have been sharpened beyond precedent during the last few years.

These contradictions disrupt the peace of the capitalist world from within. Because of the fact that capitalism is rotten to the core, because of the fact that its strength has been sapped, its contradictions have caused great rifts in the economy of the capitalist countries. These rifts become deeper and deeper from year to year, become wider and threaten the very edifice of capitalism itself.

It was because of this that the economic collapse in the capitalist countries, called forth by the world economic crisis which began in 1929, was so great. The economy of many countries fell to the low level it had occupied thirty to thirty-five years ago.

The year 1932 was the most difficult year for the capitalist countries. During that year there were almost no capitalist countries in which production exceeded pre-war level. They produced only 50-70 per cent of what their factories, mills, mines, etc., were capable of producing. Thousands of factories were closed altogether, tens of thousands worked part-time. Immense stocks of merchandise piled up in the warehouses as there was no market for them.

Let us take Germany as an example. It mined less than half the quantity of coal it might have. Of pig-iron it produced one-fourth and of steel about one-third of the capacity of its industry; of machines it produced still less—only 26 per cent. During the three years of 1929-32, the building industry of Germany dropped to one-tenth of what it had been.

In the U.S.A. in 1932 industry worked at one-half of its productive power. Production of iron and steel fell 85 per cent., and the metal factories only produced a tenth of what they might. The building industry in the U.S.A. has always been one of the biggest sections of national economy. In 1932 it worked at exactly the same level as in Germany, one-tenth of its normal level, and has continued at that level in the two succeeding years.

The United States has always gloried in its automobile industry. Automobile production in the U. S. dropped from 5.3 million cars in 1929 to 1.3 million cars in 1932. Even the famous automobile king, Ford, had to close many of his factories, although he had always boasted that no crisis could affect him.

British industry produced only about two-thirds of what it could. Iron and steel production were down by half, and textiles by three-fifths.

How far back the capitalist countries were thrown by the present crisis can be estimated from the fact that in the general output of her production in 1932 England was at the level of 1898, Germany of 1900. This means that in the industrial development of these countries, a whole period of history, some generations in extent, has been lost. The metal industry, especially iron smelting, got the heaviest punishment of all from the crisis. The U.S.A. in this respect was flung back to 1902, Germany to 1891, and England to 1860.

Not only did the crisis bring about a contraction of production, the closing of factories and mills and the idleness of millions of benches and machines, but it also brought with it a contraction in trade. World trade contracted

60 per cent. compared with 1929. In two years imports into the U.S.A. fell by 60 per cent. and exports by 66 per cent. British imports fell by 22 per cent. and exports by 47 per cent., Germany's foreign trade fell by over half, and France's by 56 per cent.

The crisis was accompanied by continual bankruptcies. Hundreds of big capitalist firms, banks and enterprises were smashed, since they could not pay their debts.

As one bank goes into the abyss it drags others with it, because each bank is a shareholder in a dozen others.

Each bank crash puts dozens of firms connected with it in mortal danger. The year 1933 began very gloomily for the capitalists of the U.S.A. All over the country depositors were feverishly withdrawing their money, demanding to be paid in gold. All banking activity was completely suspended by presidential proclamation between March 6-11, 1933. In all, there were in 1934, 10,000 less banks in the U.S.A. than there were in 1929, having declined from some 25,000 to less than 15,000. The dollar which had seemed the most stable currency in the world market, fell sharply after the pound sterling.

Not one single crisis in the whole history of capitalism has ever known such a number of bankruptcies.

### Unemployment

In the capitalist world unemployment grew at an unheard-of scale. There were sixteen millions unemployed in the U.S.A. in the middle of 1933, that is, one-third the workers in the States were without jobs. In Germany in 1934 the unemployed army reached six millions. Including agricultural labourers there are only fifteen million workers altogether in Germany. So nearly half the German workers were without jobs. A quarter of the workers worked only part time, so that three-quarters of the German working class were affected by unemployment. In England there were over three million unemployed, in Japan the same, and so on.

If you take the number of fully or partly unemployed throughout the world, it was more than forty million persons, which together with their families made up a total of almost two hundred million human beings affected by unemployment.

Unemployment and the want attending it among the toiling masses increased. The life of even those workers who still had work became much worse. Their wages were cut, as the factory owners reduced their pay, lengthened the working day, etc.

The number of people who were not in a position to purchase manufactured products and foodstuffs increased steadily. This was precisely the reason why goods accumulated in the warehouses.

### The Ruin of the Peasantry

During a crisis the consumption of agricultural products falls as well as that of industrial goods. When millions of the toiling population are hungry and without means of existence, the peasant has no chance of marketing his

grain, his meat, his milk, his vegetables—the prices of agricultural products begin to fall. In the U.S.A. for example, from 1929 to 1933 the prices received by farmers dropped by two-thirds while prices paid by farmers for commodities used in living and production declined only slightly over one-third.

If the farmer or peasant refuses to sell his produce he cannot pay his rent and taxes, the interest on his loans, the instalments on his agricultural machinery, and his farm is ruined, falls into decay. Such low prices as the wheat trusts paid American farmers in 1932 have never been seen for nearly a hundred years.

*Thus not only the worker, but the farmer and peasant also went hungry, in spite of the abundance of produce.*

When the amount of goods on the market exceeds the purchasing-power demand, the goods fall in price. When there is more wheat in a country than can be bought, it grows cheap. What do those capitalists who trade in agricultural produce do? They strive to reduce the wheat stocks. *They destroy a part of the wheat.*

In the U.S.A. in 1933 ten million acres of growing cotton were ploughed under, destroying about four million bales of potential cotton, and over 6,000,000 pigs were slaughtered under the direction of the Roosevelt administration. In the following year cotton acreage was ordered reduced by one-fourth and similar reduction was planned for 1935. In Brazil two million sacks of coffee were thrown into the sea. A great part of the harvest in India, China, and elsewhere was destroyed. Landlords and rich farmers got out of this position by applying better machinery to their farms and fiercely intensifying the exploitation of their workers. But the small farmers cannot carry on at low prices. They are ruined and the same pitiful fate awaits them as their brothers in the towns—hunger, vagabondage, no shelter, bad health.

Under-nourishment sent up the death-rate in the cities of Europe and America. In England in 1931 the death-rate of the urban population alone rose by 21 per cent., in France by 25, in Germany by 28 per cent.

### The Wretched Condition of the Toiling Masses

Economy in the capitalist countries reached its lowest level during the second half of 1932. The capitalists made desperate efforts to scramble out of the crisis. They exerted every pressure against the working masses, set in motion every means of exploiting the workers, peasants and toiling masses of the colonies, began to prepare feverishly for a new war and to increase the production of commodities suitable for war purposes. By these means the bourgeoisie succeeded in temporarily stopping the decline of economy in capitalist countries. But there is no new economic boom such as usually occurred after a crisis formerly. There is no such boom and there can be none, since the economic crisis developed in the conditions of the general crisis of the whole capitalist system.

The ruling class everywhere attempts to improve matters for itself by continuing the inhuman exploitation of the toiling masses. Great masses of unemployed are concentrated in the cities as heretofore. Millions of people are unable to find work. They are doomed to miserable conditions for their



entire lives. They are "surplus" people. These masses who have been cast overboard eke out a miserable existence in the outskirts of the cities and in settlements under horrible conditions of constant hunger and privation, live in greatly congested quarters under the constant threat of eviction for non-payment of rent. Quite frequently they are altogether without a roof over their heads, live entirely without shelter.

A considerable number of unemployed are doomed to extinction inasmuch as only 9 out of 70 bourgeois countries render some sort of monetary aid to the unemployed.

The streets in the cities of capitalist countries are just as crowded with beggars as formerly.

In Germany the fascist government is trying to show that it has lessened unemployment. As a matter of fact it has deprived a still greater number of workers of their doles. The fascist authorities compel the workers employed at the factories to work only two or three days a week instead of a full week. The remaining days in the week are filled in by workers taken from among the unemployed. In this way the state stopped paying doles to one and a half million unemployed and caused over three million workers to have their miserable wages reduced to such an extent that they are now lower or at least not higher than the unemployment doles.

Prostitution, thievery, banditry, suicide, have reached absolutely unheard-of records. The streets, parks and city squares are crowded with unemployed.

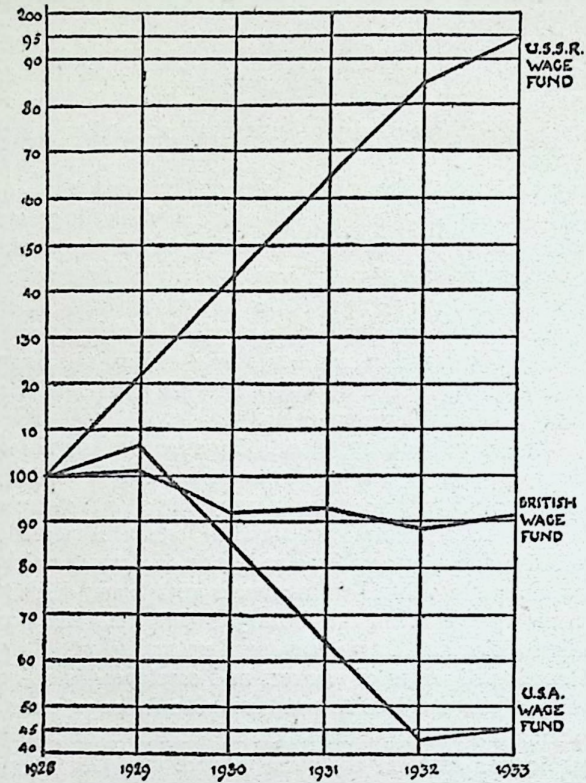
Not only the unemployed have to go hungry, but also the employed. Every worker has two or three unemployed standing behind him ready to take his job. The boss can fire him any time and take on someone else in search of work. The worker is continually threatened with being discharged. In his effort to get out of the crisis the factory owner cuts the workers' wages, lengthens their working day, introduces speed-up and so on.

Wholesale cutting of wages of workers and employees is going on in every capitalist country. In the U.S.A. total payrolls in 1932 were 45 per cent. less than in 1929. In mining, manufacturing, construction and railroads payrolls declined 60 per cent. in the same period. In Germany they fell 50 per cent., in England 15, in France 25 per cent. In the cotton textile industry in the U.S.A. continual wage cuts and increased exploitation is taking place. Bibb Mfg. Co., for example, cut wages three times in eighteen months. At the same time a worker who formerly ran 12 looms and got 24 dollars, now runs 24 looms for only 16 dollars.

The capitalists also try to make out on the price of goods. Even when wholesale prices are falling rapidly, the working class consumer can hardly feel the effect of this in the retail shops. The merchants and shopkeepers put the difference between retail and wholesale price into their pockets. The robbery of the workers goes on from two sides at once, through wage cuts and the high prices of goods.

The lot of the farmers is also very hard. The farmers who remained in the country, who did not go to the cities to look for work, have to live under almost unbearable conditions. Half of the American farmers no longer have their own farms but rent land from the big landowners. Rentals increased and so did taxes. Interest rates on bank loans also rose. At the same time farm commodity prices fell sharply.

The position of the peasants in Japan, China, India and Egypt is particularly difficult. Here many peasants are forced to worry about only one thing—how to get rid of the extra mouths to feed. The Chinese newspapers report that in several districts of southern China human beings are put up for sale



in the market places. They are children of peasants. The price for a girl under ten years of age is two or three dollars, and five dollars if she is over ten.

### III

## WHAT IS HAPPENING IN THE LAND OF THE SOVIETS?

### The Soviet Economic System

The only country in the world which experiences no crisis, which does not know the horrors of unemployment, poverty and ruin among the toiling masses is the Union of Socialist Soviet Republics.

What is the reason for the fact that the crisis came to a halt at the threshold of the U.S.S.R.? What is the reason for the fact that in the U.S.S.R. the masses are not in need, but that, on the other hand, the lives of the millions of workers and peasants are growing better from day to day?

The reason is that in October 1917 the workers and peasants of this country, under the leadership of the Bolshevik (Communist) Party, overthrew the rule of the capitalists and landlords and set up the dictatorship of the proletariat.

What had to be done in order to destroy the system under which a handful of exploiters oppressed the millions of toilers? It was necessary to destroy the very basis, the source of the oppression of the masses. This source was the private ownership of the means of production, and the October Revolution accomplished the destruction of this source. By capturing power, the working class put an end to the private ownership of factories, mills, railways, large estates and the like and made them all the property of the proletarian state.

So the mills and factories ceased to be places for squeezing profits from the workers for the capitalists, ceased to serve as a means for appropriating surplus value, ceased to serve as a means for exploiting wage labour. The production of the Soviet factories is the property of the whole working class and of its state.

After the working class had taken the mines and factories into their own hands, there was no longer a class of exploiters, and consequently there is no class of exploited. The Soviets also put an end to the landlord class, so that there is no exploitation either from the big landowners. The toiling peasantry, after many years of help from the proletarian state, decisively turned to the organisation of the poor and middle-class peasantry into big collective farms, the so-called "Kolhozes," which use the most modern machinery and tractors. Following on this, the most numerous class of village exploiters, the rich peasant or "kulak" class, was broken up on the basis of complete collectivisation. It only remains now finally to destroy this class.

In the U.S.S.R. economy is socialist, that is to say planned. There is no contradiction between the character of production and the character of appropriation. The *social* appropriation of the products corresponds to the social character of production. Since this is the case, Soviet economy is free of all the contradictions inherent in the capitalist system.

The Soviet system, as opposed to the capitalist system, guarantees a continuous improvement of the material condition of the workers and toiling masses. Thanks to this their purchasing capacity also grows continually. This causes an expansion in consumption and creates the basis for a further continual expansion in production.

Socialist economy in the U.S.S.R. develops *without* crises and without the expenses of capitalist *competition*, that is without the losses due to the rivalry of various firms, companies and trusts. Soviet economy, moreover, knows no strikes, street fighting and other forms of class war, like those which take place in the factories, streets and squares in capitalist countries.

The U.S.S.R. is also free from all national conflicts or wars among the peoples inhabiting it.

In this way the Soviet system, as opposed to the capitalist system, guarantees a much swifter development of productive forces.

### The Tremendous Rise of Industry in the U.S.S.R.

The national economy of the U.S.S.R. is constantly and rapidly rising. This can best be seen from the fact that the industry of the Soviet Union multiplied almost fourfold by the end of 1933 in comparison with its pre-war level. And this at a time when most of the capitalist countries were unable to return to pre-war level. During the last few years, during the years of crisis in the capitalist countries, the economy of the U.S.S.R. constantly and persistently moved ahead. At the same time it advanced at a speed such as no capitalist country has ever experienced. From 1929 to 1933 the industrial output of the U.S.S.R. doubled (it *rose* to 201 per cent. of the 1929 output), while the output of the U.S.A. during this period *fell* 35 per cent., of Great Britain 14 per cent., of Germany 33 per cent., and of France 23 per cent.

The mills and factories of bourgeois countries are dying, whole branches are shut down, towns and villages are silent as the grave, the railroads shunt thousands of empty cars and locomotives onto the sidings, shipping firms lay up first-class vessels to rust away.

In the U.S.S.R. the giant structures of new mills, factories, electrical stations are springing up as though from the earth, on the steppes, the mountains, the marshes, along the river rapids. Little towns, hamlets, villages, rivers, a few years ago hardly known in their own country, are now world famous. There were not many people four years ago who could have told you whereabouts in the Ural mountains was the Magnetic hill. But who to-day has not heard of Magnitogorsk, one of the biggest metal works in the world? Probably even natives of Moscow had never heard of the Sukin marsh, but to-day both the Old World and the New know about the largest ball-bearing plant in the world which has grown up there on the outskirts of Moscow.

In the Tsar's day engineers and capitalists time and again drew up plans to make the river Dnieper navigable over that part of its course that is blocked with rapids. The Bolsheviks have made the Dnieper navigable and built on its banks one of the largest electrical stations in Europe—the Lenin Dnieproges. Now dozens of powerful smelting plants and metal-working factories are growing up around that giant of the electrical industry.

Whilst agriculture in the capitalist countries is passing through the most trying catastrophes, the peasant farms are growing feeble and collapsing, the sown area is contracting and the peasants becoming hungry and poverty-stricken, agriculture in the U.S.S.R. is developing with great rapidity, the condition of the peasantry is continually improving. Where once the landlords and kulaks held sway powerful state farms, Sovhozes, and Kolhozes have been created—there are now over 5,000 Sovhozes and more than 200,000 Kolhozes. Where once the chief agricultural tool was the wooden plough, the sickle and the flail, tractors, combine-harvesters, threshers and other machines are now at work. Where once the horse and the machine were instruments by which the landlord and the kulak exploited and enslaved the poor peasantry, to-day Machine and Tractor Stations are giving powerful help to the labouring peasants organised in the collective farms, by means of machines, tools, and strong support in their fight against the kulaks. Since 1928 the sown area of the U.S.S.R. has increased by 21 million hectares (1 hectare equals 2½ acres).

Twenty million poor peasants, one time hungry, oppressed and exploited by the landlords and kulaks, have become middle-class peasants in the collective farms, have won for themselves a guaranteed life. The general welfare of the collective farm peasants as a whole is growing. To-day, at a time when in the U.S.A. and other bourgeois countries hundreds of thousands of peasant farms are being ruined, the Soviet power has set itself the aim of making every collective farmer *prosperous*.

This is all the result of the working class, under the leadership of the Communist Party, having led the peasantry on to the path of *socialist* reconstruction of the village. It is the result of the victory in the village of the collective farm system, that is of socialist forms of economy.

### The Conditions of the Workers and Peasants in the U.S.S.R.

Unemployment has been unknown in the U.S.S.R. since 1929. On the contrary, there is a great want of skilled workers and specialists. The Soviet Union actually hired skilled workers and specialists from abroad.

Every year, every month, the conditions of the Soviet workers improve. Wages are growing, the number of members in each family at work is increasing. Many thousands of women have been taken away from exhausting household drudgery and drawn into productive work. A thick network of restaurants and laundries has covered the towns, villages, factories, state farms and collective farms, emancipating working and peasant women from the kitchen and the wash-tub. Millions of working class families have been transferred from basements and slum hovels into spacious houses with convenient, well-equipped flats. Great socialist cities are growing up, the vast wings of new working-class housing estates, with electricity, gas, modern drainage, are springing up everywhere, whereas in capitalist countries the landlords are evicting masses of workers and their families into the streets. In the U.S.S.R. the network of hospitals, both connected with factories, and for collective farms and other places, is becoming widespread. The old Russian village was rotten with venereal disease, swept with epidemics. Now even the most distant corners of the nations on the outskirts of the Union are guaranteed medical assistance.

The network of creches, kindergartens, clubs, etc., is widespread.

The Soviet government constantly cares for the welfare of the children. Therefore, there has been a great reduction in the death rate among the children of the U.S.S.R. Before the Revolution, of every thousand babies born, 272 babies died at birth, now only 17.2 die.

The school system has greatly expanded. In 1929, 14,000,000 persons were studying. In 1933 there were 26,000,000.

Hundreds of thousands of engineers, economists, agronomists, technicians and various other specialists are now being trained by the hundreds of higher technical institutions and technicums in place of the former thousands. Before the Revolution there were altogether 91 higher educational institutions in Russia; in 1933 there were 600. In these schools the country trains half a million engineers, agronomists and other specialists. In old Russia only tens of thousands were studying at the universities. The Soviet Union has nearly completely abolished illiteracy. To-day more than 90 per cent. of the popula-

tion of the U.S.S.R. is literate, whereas in old Russia not only the peasants, but a vast number of city dwellers were uneducated, illiterate.

Both in pre-revolutionary Russia as well as in the whole of the capitalist world at the present time, the workers and peasants have not known, and do not now know, what it is to be in a watering place, a sanatorium, to have proper rest. To-day millions of workers and peasants in the Soviet Union are benefiting from the treatment and rest they get in the former palaces and villas of the Tsars, of the princes, the factory owners, merchants and noblemen, getting there all those benefits which in pre-revolutionary Russia were only available to the privileged classes and which only the capitalists get in bourgeois countries.

The productive output in the Soviet Union grows day by day. If there is a lack of certain goods there, that is because simultaneously with the growth of production, the well-being of the masses grows also, and consequently consumption and purchasing capacity grow and with them the demand for goods. For this reason there is a partial shortage of manufactured goods, boots, knives, forks, plates, glasses, beds, shoes, samovars and so on, in spite of the fact that from two to three times more of these things is produced than before the war.

Before the revolution watches, radios, gramophones, cameras, bicycles, etc., were not produced at all in Russia. Now they are being produced in great numbers because the toiling masses have more and more money to spend and can therefore buy more manufactured goods and foodstuffs. That explains why each year the manufacture of cloth, shoes, furniture, sugar, watches and other commodities increases and will continue to increase.

So the improvement of the material and living conditions of the toilers of the U.S.S.R. improves from year to year.

#### **In Capitalist Countries Labour Is a Form of Penal Servitude In the U.S.S.R. Labour Is the Socialist Creativeness of the Masses**

The bourgeoisie and the governments of capitalist countries are interested in lengthening the working day in the factories. In the U.S.S.R. the government has curtailed the working day in the factories.

In the U.S.S.R. almost all the workers have a seven-hour day. Those who are employed underground, in the mines, or on jobs injurious to health, work only six hours a day.

From the difference in the economic systems of the capitalist countries and the U.S.S.R. there also arises a different relationship to labour.

The workers in capitalist countries are the slaves of capital and their attitude towards their factory is that of the prisoner towards the wheelbarrow to which he is chained.

Labour in the Soviet State is the most respected of all functions and is encouraged by proletarian social opinion. Exploitation, parasitism, life at the expense of another, idleness—all these are hated in the Soviet State and prosecuted by the State and by proletarian social opinion. The mill and the factory are for the worker a wide field for the free and many-sided application of his creative powers, for the manifestation of his organising and technical capacities, for the attainment of knowledge and the practical construction of

socialism. That is why in the factories of the U.S.S.R., socialist competition and shock brigades are the most widespread form of labour. For the worker in the Soviet Union labour has been transformed, as Joseph Stalin has said, "into a matter of honour, a matter of glory, a matter of valour and heroism." (*Leninism*, Vol. II, p. 363.)

*Rationalisation* (the introduction of technical and productive improvements) is a perfected weapon for intensifying the exploitation of the workers in a capitalist factory. Rationalisation in bourgeois countries is accompanied by unemployment, wage-cuts, the exhaustion and premature aging of the workers, and so on. Rationalisation for the workers of Soviet enterprises brings with it a lightening of labour, a curtailing of the working day, an increase in wages, the provision of a greater number of hours for rest and culture.

The workers in capitalist countries see in the new technique and new machines a form of evil, a rival, a competitor, bringing extra torments of hunger and suffering with it. The workers in the U.S.S.R. themselves struggle for the introduction of better machines, of new technique for the mechanisation of labour. In machinery they see the best helper and friend, lightening their work for them and giving them greater production.

A multitude of real enthusiasts for the new technique, of real revolutionaries in technique, exists in every workshop, in every mine. The workers of the Soviet State themselves are interested in improving production, themselves make all kinds of models of new benches and machines, bring forward hundreds of thousands of suggestions and inventions, by means of production conferences, through their newspapers, inventors' circles, and in this way become masters of technique and science.

As a result of the enormous victories of the proletariat of the Soviet Union they have created *a firm foundation for socialist economy*.

The U.S.S.R. has become an invincible fortress of socialism which gives birth to enthusiasm and revolutionary feeling among the workers of the whole world and calls forth the envy and hatred of international imperialism which is in the throes of a crisis. As Joseph Stalin has said, the U.S.S.R. is *the shock brigade of the proletariat of all countries*.

## IV

### WORLD IMPERIALISM AND THE U.S.S.R.

#### The War Danger Against the Land of the Soviets

What are the relations between the capitalist world and the Soviet Union? The capitalist world is hostile to the world of socialism in construction. The terrific increase in the socialist economy of the U.S.S.R. is plain to every worker in capitalist countries who at the same time sees the collapse of capitalist economy and the torment and catastrophic position of the toiling masses in his own country. The U.S.S.R.—the land of socialism in construction—is the advanced post of the workers and peasants of the whole

world in their fight for socialism, a permanent reminder to capitalism of its inevitable end.

The imperialists are dreaming of making the U.S.S.R. into one of their colonies, from which they could get wheat, oil, iron ore, coal, timber, flax, etc., and on which they could force their own goods at high prices, as well as their robber system and their savage methods of exploitation of the workers and peasants. They would be glad to reduce the U.S.S.R. to the condition of India or China. They would like to see a government of Russian landlords, capitalists and generals, which would be their slave, at the head of the country.

But instead of that they have to deal with a country which has victoriously beaten off all the attacks of world imperialism, which has greatly strengthened its military power, which is energetically struggling for its full economic independence from capitalist countries, and with unheard of speed and consistency is building a new socialist economy.

The world imperialists have tried to smash the Soviet Union and re-establish the capitalist system by force of arms. They supplied Denikin, Kolchak, Yudenich and other Russian generals who commanded the White armies, with rifles, machine-guns, tanks, cartridges, military equipment and money. They sent their armies, their cruisers, and their artillery to conquer Ukrainian wheat, Baku oil and the timber of Archangel.

When all efforts to smash the Soviet Union failed, world capitalism began to place its hopes on the Soviet Power "transforming" itself into an ordinary bourgeois state. They expected that the Soviet Union would finally go on its knees to world imperialism.

Convinced that all their calculations on the collapse of socialist construction in the U.S.S.R. were baseless, the capitalist countries have been compelled to establish trade relations with the U.S.S.R. Simultaneously, the world imperialist powers have renewed their hostile actions against the land of the Soviets by organising through their hired agents counter-revolutionary conspiracies, wrecking, various kinds of treachery and provocation. All this is preparation for a new military campaign of the imperialists against the U.S.S.R. Fascism on coming to power in Germany openly declared its intention to make war against the U.S.S.R. since it needs territories in the East, that is, in the Soviet Union.

Why do the imperialist powers want a war? Because they need new markets. And new markets cannot be got except by force of arms, by war.

Moreover, the imperialist bourgeoisie is being pushed into war by the severe economic difficulties which it is undergoing. The capitalists in various countries calculate that war will bring them big profits as well as new markets. These capitalists hope that war will bring a revival of industry and bourgeois economy as a whole. War is particularly profitable for the factory owners, merchants and speculators, who are directly connected with the war industry, since it allows them to profit by military orders.

War means an increased demand for greatcoats, trousers, puttees, boots, cartridges, shells, bandages, cotton wool, binoculars, automobiles, wheat, sugar, cannons, airplanes, machine-guns, battleships, etc.

In wartime, industry as a whole works feverishly for the needs of the front. Sewing machine factories produce rifles and cartridges; instead of ploughs,



machine guns are made, instead of cotton oil, gunpowder; instead of medicines, poison gases; instead of tractors, armoured cars and tanks; instead of school books, crutches and artificial legs. Great reserves of food, munitions, forage, canned goods, shovels, timber, candles, are created. Everything is needed for the front. All kinds of goods are useful in time of war.

Imperialism keeps the world in a state of alarm. War may break out for the most unexpected reason. In 1914 the World War broke out, as the bourgeoisie declared, because of the murder of an Austrian Grand-Duke in Sarajevo. But of course, this was only the outward reason. The real cause of the war was to be found in the capitalist system itself, which inevitably creates war, as the *continuation by military methods of the whole policy of the bourgeoisie—a policy of plunder, violence and annexation.*

So every imperialist state, though already armed to the teeth, is now feverishly building warships and various weapons of murder and destruction. For some years now the bosses of the bourgeois states have been talking at various conferences about disarmament, while every year armaments have been increasing.

England, the U.S.A., France, Japan and Italy, are now spending more than two and a half billion dollars a year on cannons, dreadnoughts, bombers, tanks, etc. Before the war these powers spent 750 million dollars a year. This explains why the war industry is the only one which is unaffected by the crisis.

#### The Policy of the U.S.S.R. is a Peace Policy

The imperialist powers are preparing for a war in the first place against the U.S.S.R., the land of socialism in construction. The capitalist world cannot reconcile itself to the existence of the land of the Soviets, the bulwark of the world revolution.

The imperialist powers have surrounded the U.S.S.R. with a ring of hostile states, arming them to the full and converting them into the advance guard of the imperialist offensive on the U.S.S.R.

The Soviet Union, therefore, being under a constant threat of war, has to concern itself with the strengthening of the Red Army, with the improvement of its own defensive powers. It already possesses to-day a powerful Red Army, equipped with a first-class military technique. This is the consequence of the great successes of the U.S.S.R. in industrial construction. The big mills and factories of the Soviet Union make it possible to equip the Red Army in such a way that it will be able to encounter the enemies of socialist construction in a worthy manner, should they be bold enough to attack the U.S.S.R. So it follows that the further development of socialist industry is *the main condition for strengthening the defensive powers of the U.S.S.R.*

The Soviet Government will not give way to military provocation. It does not want war, but it is ready to defend itself. Its chief interest is in peace. It is striving for complete or even partial disarmament. Of course the Soviet land understands that *only the destruction of capitalism throughout the world will bring a stable peace.* But so long as capitalism is not overthrown throughout the world, the U.S.S.R. is compelled to use every possibility to weaken the war danger.

In spite of all the hostility shown towards the Soviet Union by the capitalist

powers, the Soviet Government through its policy is successful in smashing the imperialist plans of the bourgeois powers and in creating the external conditions for the continuation of the victorious construction of socialism by the U.S.S.R.

The foreign policy of the Soviet State consists in using the contradictions of the capitalist world to put off the danger of war against the U.S.S.R. and so to guarantee for itself a further development of socialist construction and a strengthening of the defensive powers of the country.

"We do not want a foot of alien territory, but we will not give up an inch of our own to anyone.

"Those who want peace and are striving for business intercourse with us will always receive our support. And those who try to attack our country—will receive a stunning rebuff to teach them not to poke their pig's snout into our Soviet garden again."

These words of Joseph Stalin make quite clear that the policy of the Soviet Union is a peace policy.

*So we see from the first part of this course that:*

Two different worlds have been formed as a consequence of the victory of the Russian Revolution of November 1917. Over one-sixth of the earth the world of socialism in construction exists, while over the rest of the world capitalism still reigns.

Capitalist economy is in a condition of ruin and decline. This economic collapse is especially profound because it occurs in the general crisis of capitalism which began with the imperialist war of 1914-18.

This general crisis of capitalism in its turn is a consequence of capitalism having reached its final stage of development, imperialism, that is to say, the stage when it is transformed into decaying, dying capitalism, when the further development of society becomes irreconcilable with the existence of the bourgeoisie as a class.

In the U.S.S.R. the foundation of socialist economy has been laid. The exploiting classes have been finally defeated. A further tempestuous growth of socialism, the construction of classless society, the general rise of the material position of the workers and collective farm masses and the common collaboration between all the peoples of the U.S.S.R. in the struggle for socialism and for peace are what is taking place in the U.S.S.R.

#### QUESTIONS FOR STUDY:

1. Why must the proletariat when it takes power, deprive the capitalists and landlords of their factories, banks, etc., and turn them into social property?
2. Why are scores of millions in the capitalist world suffering from hunger and cold, whilst the warehouses are crammed with goods?
3. What is the chief cause of crises in capitalist countries?
4. Why are wars for colonies and annexations of alien territory inevitable under imperialism?
5. Why are there no crises in Soviet economy?
6. Why is it only in the U.S.S.R. that the working class has a consistent interest in raising the productivity of labour?
7. Why is the danger of war of the capitalist world against the U.S.S.R. increasing?
8. Why must the U.S.S.R. strengthen its defensive powers?

#### LITERATURE:

Stalin: *Leninism*, Vol. II (International Publishers), pp. 307-325, 365-370.

*Stalin Reports the Work of the Central Committee of the C.P.S.U.*, XVII Congress, C.P.S.U. (International Publishers).

Lenin: *Imperialism* (International Publishers), Chapters 7, 8 and 10.

Marx and Engels: *The Communist Manifesto* (International Publishers).

Marx: *Wage-Labour and Capital* (International Publishers).

*Programme and Constitution of the C.P.S.U.* Introduction.

*Programme of the Communist International* (Workers Library Publishers), Parts 1 and 2.



## **Selected Works of V. I. Lenin**

This series includes the most important and popular of Lenin's writings, arranged both topically and chronologically. To be complete in twelve volumes. Each volume, \$2.00.

**Ready:**

Volume I

**PREREQUISITES OF THE FIRST RUSSIAN REVOLUTION (1894-1899)**

The economic and social background of the Revolution of 1905.

Volume II

**THE STRUGGLE FOR THE BOLSHEVIK PARTY (1900-1904)**

Covers the period of the ideological crystallization of Bolshevism.

Volume III

**THE REVOLUTION OF 1905-1907**

The character, forces and prospects of the first Russian Revolution.

Volume IV

**THE YEARS OF REACTION AND OF THE NEW REVIVAL (1908-1914)**

The period of reaction after defeat, and the revival, beginning in 1912.

Volume V

**IMPERIALISM AND IMPERIALIST WAR (1914-1917)**

Background and causes of the war.

Volume VI

**FROM THE BOURGEOIS TO THE PROLETARIAN REVOLUTION (1917)**

The course of the Russian Revolution, from February to October.

Volume VII

**AFTER THE SEIZURE OF POWER (1918)**

Fundamental tasks of the Party after the seizure of power.

Volume VIII

**THE PERIOD OF WAR COMMUNISM (1918-1920)**

Problems during the civil war and foreign intervention.

Volume IX

**NEW ECONOMIC POLICY (1921-1923)**

Contains most of the last works of Lenin.

Volume X

**THE COMMUNIST INTERNATIONAL**

Writings and speeches on the Third International.

Write for a complete catalog to

**INTERNATIONAL PUBLISHERS**  
381 FOURTH AVENUE, NEW YORK