

"WAR COMMUNISM"

I. GENERAL: CAUSES

1. Extreme measures, adopted partly because of the emergency situation during the Revol and Civil War, partly because of a desire to speed the coming of socialism, *in conformance with previous notions.*
2. *Ignorance, inexperience of leaders.*

II. NATIONALIZATION.

1. Industry -- large plants. Many former owners left in charge as employees of the state.
2. Transportation -- not entirely new. *Largely nationalized before.*
3. Banks -- all of them.
4. Housing -- all but smallest ones municipalized, space allotted by local soviet, without rent.
5. Foreign and Domestic Trade -- *all foreign trade, much of internal trade.*
 - a. Comrat of Supply.
 - b. Difficult job collecting and distributing goods. Shortages.
 - c. Bagmen - to villages getting food.

d. Rationing

III. ALMOST MONEYLESS ECONOMY

1. Printing Press money. *to pay govt bills.*
2. Inflation. Cost over 1000 R to mail a letter (Cost of shave - 5 R, left cheek, 10,000 R, right cheek) (Peasant selling horse - borrowed horse to carry money) Equalization, wiped out savings.
3. Payment of wages partly in kind.
4. Rationing --
 1. Red Army - *1st priority*
 2. Manual laborers - *2nd p'*
 Almost nothing left for Bourgeoisie.
5. Free -- Dec 1920 decree saying distribution of food thru rationing system would be at no charge.
6. Inflation partly due to necessity of govt to secure funds to finance Civil War. But made virtue out of necessity by saying that it would speed transformation to moneyless communistic economy.

7. Requisitions from Peasantry - seized grain, paid for it with worthless money. To feed army, cities. Nothing for them to buy.

VII. DISRUPTION OF ECONOMIC LIFE TO 1921.

govt. ineptness, blockade,

1. Cumulative effect of W.W.I, Revolution, Civil War, and attempt to move too rapidly to socialism.
3. Famine of 1921 -- Added to already bad condition of agriculture was drought in summer of 1921.
2 million people died, in spite of aid of A.R.A. under Hoover.
2. Decline in Agricultural Production:
 - a. Peasant reaction to Requisitions -- merely produced enuf for own subsistence, since they knew any surplus would be taken away.
 - b. End of 1920 -- only 1/2 of pre-war farming area in cultivation.
4. Fall in Industrial Production:
 - a. End of 1920 -- total production only 15% of 1914 level.
 - b. Fell because:
 - Old managers, technicians gone in large numbers.
 - Loss of labor force - to villages, army, death.
 - Raw materials shortage - due to blockade, civil war.
 - Workers Control - didn't have know-how.
5. Goods Shortage
 - a. Standard of living hit the bottom in 1921.
 - b. Lack of consumer goods, food, clothing.
 - c. Fuel so scarce that they tore up houses, woodwork. *(Stripped houses)*
6. Misery -- but equality in their misery.
6. Sickness, epidemics.
7. Migration from cities back to the country.

VIII. KRONSTADT REBELLION. (March, 1921)

1. Indication of general mood of dissatisfaction.
2. Sailors in garrison rebelled, demanded freedom of speech, press, assby, for workers and peasants. Called for re-election of Soviets by secret ballot, end of grain requisitions, and "Soviets without Communists."
3. Repressed, but was taken by Lenin to be the handwriting on the wall.

adopted NEP*59*

PERIOD OF THE

NEW ECONOMIC POLICY (NEP) (March 1921--1928)

(62)

I. GENERAL. Failure of War Communism

- 1. Necessity of restoring production. Achieve recovery before possible to continue with further plans for buildg socialism.
- 2. "Strategic retreat" -- compromise with capitalist instincts in peasantry and petty bourgeoisie. Compromise with captlsm.
- 3. "Wisdom" of Lenin -- flexibility of mind, tactics. Still kept ultimate aim in view. *Obvious to anybody that the economy was in chaos. But Lenin at least smarter than other Bols. Not completely doctrinaire.*

II. COMPROMISE WITH THE PEASANTS.

- 1. Proclamation on the peasantry issued March 1921. Provisions:
 - 2. Fixed Tax -- replacing requisitions. *- Tax rebates to those who increased area sown.*
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- 3. Free trade in agricultural products -- could sell for profit the surplus above what govt collected in tax.
 - 4. Scissors -- govt tried to close gap between agricultural and industrial prices. Get more manufactured goods to peasants.
 - 5. Hiring of labor - a limited amt of this on land permitted.
 - 6. Renting -- could rent your land.
 - 7. Kulaks -- these measures made possible economic differentiation among peasants, aided rise of Kulaks. (Not really "rich".)
 - 8. Production -- this the aim of NEP. Increased greatly. End of 1928 - sown acreage above 1913, 50% above 1922. production of grain up to 1913, 40% " "

almost
Still not satisfactory - govt still needed more grain for the cities and for export.

III. INDUSTRY AND TRADE.

- 1. Private enterprise -- permitted on small scale.
- 2. Money economy -- abandonment of payment in kind, and mostly an abandonment of rationing.
Chervonets Ruble -- new stabilized currency replaced old.
- 3. Production -- large scale industry grew rapidly, by 1926 had exceeded the output of 1913.

4. Extent of Socialization --

- a. Small industry - much private enterprise
- b. Large industry - none in private hands except a few foreign concessions. Retention of "commanding heights".
- c. Trade: Wholesale trade - mostly the state.
Retail trade - principal place of private enterprise
 1924-- 1/2 of retail trade private.
 1928-- 1/4 " " " "

5. Real Wages -- rose every year during NEP.

6. NEP-men -- principally traders. *and Westerners*
Communists' thought had

7. Gov't Control - thru taxes, wholesale trade, large industry. *abandoned Marxism.*

IV. COMPROMISE IN FOREIGN RELATIONS.

- 1. Truce -- Allied intervention had failed, World Revol had failed. Both sides wanted peace, Rus wanted to buy, others wanted to sell.
- 2. Trade Agreements -- usually the first step. Turning point with Anglo-Soviet trade agreement in March 1921. Constituted de facto recognition. Similar treaties with Ger, Norway, Austria, Italy, etc.
- 3. Treaty of Rapallo -- The two outcasts, Ger and Rus, got together, strengthened the diplomatic position of both. (1922)
- 4. De Jure Recognition (1924) -- led by Britain, Italy, France, etc. Only the U.S. refused.

But: 5. Comintern -- its activities going on at same time. Hdqtrs in Moscow. Aid to British General Strike (1926)

Ger -- hoped for revol there during Ruhr crisis, 1923.

China -- active part in Chinese revol. Eventually Chiang broke with left wing, liquidated them. Failure. (1927)

This "unofficial" foreign policy carried on simultaneously with "official" policy.

Plotting to overthrow the very govt - with which Russia had diplomatic relations.