

Der
isolirte sozialistische Staat.

Eine sozialökonomische Studie.

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The field which scientific socialism has to cultivate is an immense one — for it embraces all the relations of man to man. How small in comparison is the band of bold pioneers who cultivate it with dedication and understanding! Just as the Roman garrisons on the imperial frontier against Germania once could only use the few moments that the incessant struggle against the encroaching Germans left them free for the peaceful work of the plow and the karst, so the pioneers of socialism, engaged in the grueling party struggle, have very little time for theoretical reflection, for the further expansion of the system.

Is it any wonder that large stretches of this field still show little sign of culture, while some still lie completely untouched? On the contrary, I consider it much more remarkable and worthy of all respect that socialism has already achieved so much in the theoretical field. Or does history know of any social movement that has had such an eminently practical effect and yet at the same time has constantly perfected its theory and grown in breadth and depth as socialism has done since its inception?

However, the fact that this result was achieved is not only due to the enthusiastic selflessness of the "agitators" who devoted themselves entirely to the cause, but also in part to their opponents. The grain and wine cultivation of those Roman legionaries would have been poorly promoted if it had only been dependent on the rarely available labor of the combatants. Rather, it was mainly those who were temporarily unfit for arms, those who were temporarily disbanded to recover from the strains and wounds of military service, who, together with a few who devoted themselves to peaceful work, were most successful in cultivating the soil. It is quite the same in our field. If the most fruitful ideas have always been closely connected with the prison, the development of the socialist system, whether the contributions were large or small, has also largely taken place in prisons.

Standing behind the front line for the moment, I want to use the leisure granted to me to work on a terrain that has so far gone almost completely unnoticed in the rush of events and which is fully worthy of the effort invested in it. This is the question: whether socialism, in

order to carry out its economic plans, must come to dominate the whole civilized world, or all economically developed peoples at the same time, or whether a single socialistically organized state is also possible and viable?

As far as I know, this question has hitherto been discussed in oral agitation as well as in the press hardly more than very superficially, although its importance is obvious. As a rule, one has contented oneself with declaring it probable, indeed necessary, that the transformation of society in the sense of socialism must take place simultaneously in the main countries of the civilized world. But I search in vain for a sufficient justification of this view.

I am of the opposite opinion. I believe — and will try to prove it below — that the final victory of socialism in a single state or states is not only historically more probable, but that nothing stands in the way of the existence and prosperity of the isolated socialist state. —

No danger is closer to inadequate knowledge than to want to apply a newly acquired experience immediately to everything, to want to explain everything from a newly recognized truth without taking into account the other circumstances under consideration. Since one does not know the whole, one takes the part for it. We make this mistake very often, both in ordinary life and in the field of science. Good nutrition, for example, is certainly an essential condition of physical health, but to believe that well-being and strength depend on it alone, as many do, is incorrect; for there are a great many other things to be considered, in connection with which the desired result can be obtained, but which on the other hand may partially or even entirely neutralize the influence of that one thing. — Water is certainly an excellent remedy, but to believe that all bodily wastes can be drowned in it, as many supporters of hydrotherapy believe, is ridiculous; water is a remedy, but not an arcanum, and there are many other remedies besides it, which in most diseases must work together with it to achieve a favorable effect. Or: It is certain that the geological structure of a country is of essential influence on the life of the people inhabiting it, inasmuch as it has a decisive influence on their principal occupation and its uniformity or diversity, on the other modes of life and the climate; but the opinion

that the political and social condition of a people depends solely on the soil structure would be so absurd that I need not first prove the contrary.

However, many socialists are no less one-sided and incomprehensible in their assessment of social conditions and their historical development. These people make their work tremendously easy for themselves by calmly pronouncing, whether it is a question of the French Revolution or the fall of Carthage, the arising of Christianity or the invasion of Genghis Khan: all this was and all is due to the respective economic conditions! — This method of explanation has the advantage of being simple and of saving time-consuming study; otherwise, however, it "explains" very little. It is certainly true that economic conditions form the basis of all social and political organizations and institutions, and that therefore every development of these must have a decisive influence on them. But as true as it is that economic conditions are the most important historical factor, it is equally false to believe that there are no other historical factors at all. To recognize the absurdity of this assertion, one need only take a look at the political and social conditions in today's main cultural countries and especially at the position of socialism in the latter. Socialism necessarily presupposes economically developed conditions; if the latter alone were important, it would have to be most powerful where economic development is greatest. But this is by no means the case. England is certainly the most economically developed country; nevertheless, we still see socialism playing a very subordinate role in it, while in Germany, which is less economically developed, it is already such a power that socialism has already become so strong that it is no longer able to maintain itself. Germany is already such a power that the whole of the old society no longer believes itself safe and is "allied to its extermination. Nor can the political and religious conditions of England, France, Germany, Italy, etc. be explained by economic conditions alone.

The truth is that history is not a childishly simple primitive tool, the construction of which even the most inexperienced can grasp at first glance, but rather a very complicated mechanism of numerous

interlocking parts of very different size and significance, but all of which have their function. Besides the main factor of economic conditions, there are numerous other moving forces at work, all of which are of course causally connected with it, since they are for the most part directly produced by it, or at least influenced by it, but which in the course of history have become such independent powers that the way - both in form and in time - in which that original force expresses itself depends very essentially on them and their combination. These important factors are: political, legal, scientific, religious conditions, racial peculiarities etc., not forgetting also the individualistic moment, which, in spite of the general lawfulness - for lawful is by no means synonymous with mechanical - plays a greater and more influential role in individual cases than some historical fatalists are willing to concede to it.

It is clear that, with so many forces working together, the development of any general human movement could not and cannot be uniform in a few countries, let alone in all (naturally civilized) countries, but must and must be extremely diverse. And socialism will also be subject to the same law. However, the political, religious etc. traditions and institutions, which now so often stand in the way of its spread - although under certain, admittedly rarer, circumstances they can also be conducive to it - will in the course of its development lose more and more of their influence on the development of society, until finally these barriers erected between the peoples fall completely. But this will still take a good while, given the great power of the traditional, and the possibility of postponing the transformation of things through socialism until then cannot seriously be thought of.

Under the conditions prevailing today and also for the foreseeable future, the assumption of a simultaneous victory of socialism in all civilized countries appears to be absolutely impossible; but no less and for the same reasons also that the example of a socialistically organized state would necessarily be immediately followed by all other civilized states.

It seems more possible, however, that socialism could come to dominate two or three of the most economically and spiritually

developed countries almost simultaneously. The economic opposites, which have already reached a high degree in these countries, are becoming more acute every day, capital monopolization and mass impoverishment are making rapid progress. In view of this, the disinherited peoples are turning more and more away from all the political and religious frippery that has so far turned their attention and strength away from the main goal, and towards the only saving socialism that organizes them and brings them closer together in their feelings and thoughts. In the face of these daily growing masses, who are no longer restrained by any belief in authority from striving for material and ideal goods, the ruling classes must resort to ever new measures of physical oppression, even where such measures have not been popular up to now. With such equality of misery - and the farther we think the end of the present "order" has come, the more it will occur - and general tension, the movement can, however, be set in motion by some event that overfills the measure and seize several peoples at the same time.

I say this case is possible; and it is desirable that it should occur, because through the penetration of socialism in two main cultural countries - for example, in France and Germany (together with the German lands of Austria) - on the one hand the danger of another reaction is considerably reduced, and on the other hand the final general victory of our cause receives a tremendous impetus and becomes irresistible. I hope that the two main cultural peoples of the mainland will join hands in the coming great upheaval.

But we must not regard this desirable possibility as certain and undoubted, if we do not wish to expose ourselves to grave and fatal deceptions. An unprejudiced look at the countries mentioned and their political, religious, national and other differences, unclouded by desires, is enough to show us what favorable circumstances must work together to lead such differently developed peoples to the same goal almost simultaneously and in solidarity. And these favorable circumstances are all the more uncertain the nearer we think of the time of transformation and the less advanced we can therefore assume both the economic development and the enlightenment of both peoples to be.

In any case, the victory of socialism in only one state at first lies within the realm of probability, and that of high probability, while the opposite is far less probable. At the very least, however, this more favorable chance is not certain, and we must therefore not rely on it; for the practical politician - and the opponents already realize now and will realize even more later that we are by no means as "impractical" as they have hitherto believed — must not make any optimistic calculations, but only write down the safest positions (no matter how few they may be), — otherwise his calculation will be on a bad footing.

Thus we would have come to the isolated socialist state, and would have found in it the most reliable point of reference. —

In now proceeding to examine the viability of the isolated socialist state, I deliberately refrain entirely from discussing the way in which socialism comes (or came) to rule in this state, although reflections on this subject would not only be very interesting in every respect, but also, in the reorganization of the state system, the way in which one arrives at it is of course of weighty influence. But if I were to consider all the various possibilities of development: the gradual peaceful transition from the old to the new order, or the sudden and thus more ruthless upheaval resulting from long restraint, or the various conceivable gradations between the two, the earlier or later date of the reorganization, I would lose myself in individual investigations, which is completely beyond my scope. My intention is rather to fix as generally as possible the essential conditions which appear to me to be decisive for the existence of the isolated socialist state, its economic organization and its relation to the other states not organized in a socialist way, with the sole condition that I have in mind as the date of the organization of this first socialist state not a future lying in the misty distance, but a date within the reach of the possibility of existence of those living today.

Thus we have a state in which socialism has attained unconditional rule, while in all other civilized states the old order of things, i.e., the old economic system — in connection with which political forms, is of no importance here. What means will our state now adopt in order, on the one hand, to shape its internal

organization according to the principles of socialism and, on the other hand, to assume a position externally that resolves the collision of the old and new economic order in favor of the latter and ensures its prosperity in general?

As far as the reorganization of internal conditions is concerned — I am limiting myself here purely to the economic field, assuming that administrative, political and educational institutions corresponding to this stage of economic development etc. institutions corresponding to this stage of economic development as a matter of course — it would at any rate appear to be the simplest thing to draw a resolute line through the whole, thoroughly botched old calculation and to make a fresh start, i.e. to transfer all the instruments of production by a legislative act from the unauthorized possession of the individual to that of the whole, and thus to put planned collective production in the place of anarchic private production. But even if, at certain great turning-points, history hastened its accustomed steady pace and, in its energetic forward striving, has thrown down numerous obstacles which it otherwise cautiously removes with a single step, it still knows no *Saltemortali* [deadly leaps, leaps of faith], and whoever has ever tried to force it to do so has had to atone for it severely. — In the first period of our state, a transitional state will necessarily have to arise in which the old, private ownership of the instruments of production, still finds a place, whereby it goes without saying that the greatest possible guarantees will be created against its previous influence, which is harmful to the common good, and for its successive extinction.

With regard to the immediate seizure of ownership of instruments of production on the part of our state, the rule already often discussed will generally be decisive that it should be carried out in all actuality concentrated enterprises, while insufficiently concentrated industries and those which by their nature are difficult to concentrate should first be left under the supervision of the state to private enterprise and above all to the sphere of activity of the municipality. It is by no means the purpose of this treatise to consider all the various productions from the points of view mentioned; other, more competent pens will be found for this task and some have already

been found. However, in order to illustrate the principles according to which, in my opinion, both the immediate expropriation and, in particular, the rendering harmless, subordination to the general operating plan and general transfer to collective ownership of means of production still in private hands should be carried out, I have chosen an important branch of production, agriculture, as an example.

Socialists need say as little about the necessity of the collective ownership of land as about its legality; but it should be pointed out that the safeguarding of the most indispensable necessities of life in our isolated socialist state may temporarily become a real question of life, even more necessary than usual, as a result of the possibility, even if only temporary, of a complete or partial increase in supply through hostile measures by neighboring capitalist states. Nevertheless, it is very doubtful whether in our country it will be possible to transfer the whole country, or even the greater part of it, immediately to collective ownership. In England, perhaps also in Italy, where already today almost the entire land area is monopolized by a small number of large landowners and the small landowners hardly come into consideration, the "expropriation of the expropriators" will make no difficulty, and the state will become owner of the entire land without considerable resistance, so to speak at a stroke (for the exception perhaps granted to the small landowners will soon come to an end without any legal compulsion merely by the nature of the new economic order). But to demand the same for the fragmented land relations of France and Germany would be a perversity. The whole of the middle and small peasantry, which, in spite of its great distress and need, clings to its clod with the greatest tenacity, would, although its expropriation would be purely nominal and it would gain real advantages in return, see in our state, without further insight, not its benefactor but its mortal enemy, and would offer it not only passive but also very active resistance.

The state we envision will therefore initially take into its possession only the already existing public property, i.e. all state and crown property, church, school and other endowment property, and communal property. The extent to which large private estates will

also have to be expropriated, or the extent to which this will be necessary in view of the principles set out below, which ensure the rapid expansion of collective ownership and which our state applies to existing private land ownership, will depend on the specific case and I will not discuss it here. In any case, all colossal estates, the princely and aristocratic entailed estates etc. will have to be confiscated immediately. Through the possession of the public estates thus increased — if they are centralized, which is not the case today — our state already has an important influence on agricultural production, firstly as a result of the advantages of rational large-scale operations and then through the economic uplift of its workers — an influence which, of course, can only become decisive through other provisions to be explained later.

The significantly larger amount of land may therefore still be privately owned. What measures must our state take to not only prevent this private property from becoming detrimental to the public good in the way it has been, but to force it to be of service to it? In order to answer this question precisely, I must first of all ask a counter-question: What gives the private owner of the means of production the possibility of using them to the detriment of the general public? Well, it will be replied, the very fact that these means of production are his "property," with which he can do what he pleases. This answer is perfectly correct in general, but is by no means sufficient in detail and specifically for our case.

The concept of "property" is not one that is fixed once and for all, rather it has been understood very differently by different times and peoples, whereby the unrestricted Roman legal concept of property of *jus utendi et abutendi* and *jus quise cuique rem suam negligere licet* (the right to use and abuse one's property, to neglect and spoil it, in short to do with it as one pleases), which even today the property fanatics would prefer to declare to be the supreme, unapproachable deity, beyond all discussion, who has practically the smallest sphere of influence in terms of temporal and local extension. Almost everywhere the right of ownership has suffered and still suffers numerous restrictions, which often even go so far as to deprive the owner of any disposition over his property (with the exception of the

right of alienation) in the interests of the public good. The past, which is found among the Greeks, Romans etc. Leaving aside examples of the undisputed right of disposal of the state, i.e. the general public, over the property of the individual, I will cite only one striking case of this kind from the present. According to the latest forestry laws of Austria and Württemberg (which the foresters are striving to extend to all cultivated states), the owner of a forest may make absolutely no alterations to it without the permission of the forestry supervisory authority. If the forestry authority considers felling to be harmful for forestry reasons, the owner may not fell a single one of his trees, no matter how urgently he needs the wood; if, on the other hand, felling is necessary (e.g. due to overcrowding), the owner must carry it out, even if he has no desire to do so. That which makes private property in the instruments of production most dangerous to the public, namely the complete freedom to use it well or badly, is thus taken away from it; not only can it not act contrary to the public welfare, but must serve it in all things. All that remains to the owner is the right, which constitutes the basic constituent of the concept of property, to derive sooner or later from his "property" a separate benefit which does not accrue to the community as a whole and which, although it cannot be increased at will as a result of those restrictions, still constitutes an essential privilege over the non-owner.

If we hold fast to this definition of property (you can see that we by no means want to introduce anything so completely "unheard of" and "unprecedented", but rather only want to tie in with existing conditions in every direction, and only need to develop many germs that already exist in the present "order"), the task, in the transitional stage, is to create a *modus vivendi* between the socialistically organized state and private property, which provides the necessary guarantees for the public good — both for the present and for the future, i.e. for the successive development of the state. It is by no means too difficult to find a *modus vivendi* between the socialistically organized state and private property which offers the necessary guarantees for the public good — both for the present and for the future, i.e. for the successive transition of private property into collective ownership.

A farming plan shall be drawn up for the whole country in accordance with the principles of scientific agriculture and the results of consumption statistics, the provisions of which concerning the cultivation of the land (for grain, fodder, gardening) and the means to be used for this purpose (type of cultivation, seed varieties) shall be strictly observed by private owners and by the managers of state farms. For the purpose of implementing the farming plan, the entire state is divided into agricultural districts, each of which receives the necessary civil servants for supervision and auxiliary management. Private estates that are managed differently than prescribed by the agricultural plan due to unruliness or ignorance are temporarily taken under special control of the state agricultural officials at the expense of their owners; however, if the owners are recalcitrant or incapable of fulfilling the regulations given to achieve rational management, they are expropriated — naturally also in the case of emigration and treason of the owners (in the latter cases, of course, without compensation). — Just as the private owners have to comply with the state regulations with regard to the land, they also have to do so with regard to the workers employed by them. Not only are legal measures taken with regard to working hours, the necessary sanitary and other facilities required for the protection of workers, but a minimum wage is also set (whereby, of course, the state sets a good example on its estates in every respect).

As far as the utilization of the proceeds is concerned, harmful speculation must of course be excluded, which is also feasible without affecting the substance of the property. Our state is the decisive price setter on the entire market. It sells its products, which already make up a significant and growing percentage of the total quantity of products, at a fixed price, which, in addition to the total production costs, only covers the compensation rates to the expropriated (of which later). Since the private proprietor may neither withhold his products from consumption with selfish intentions nor seek a more profitable market by exporting them (since trade, as will be shown, is the sole property of the state), the price determined by the state is essentially decisive for his sale, as long as an actual "market", i.e. competition, still exists at all. With the successive introduction of state food offices, however, this

relationship will soon come to an end, and the private owners will have no choice but to sell their products to the state at the price determined by the latter. Their entire profit will therefore — in view of the above-mentioned measures, which hardly allow the private producer to produce more cheaply than the state — consist merely in the wages for the management (insofar as they are willing and able to do so) and that part of the selling price which the state has to pay as compensation to the exporters, but which the private producer can keep for himself.

Under such circumstances, of course, the advantages of private property are of a very precarious nature. The owner can no longer use his land at will to exploit the laborer and consumer for the satisfaction of his passions; on the other hand, he has very important duties and a heavy responsibility to the state. The only real use he has of his property, however, is as much as he would receive, without any responsibility or annoyance, if he had his property voluntarily expropriated. Under these circumstances, the vast majority of the larger owners would probably soon voluntarily renounce their title of "owner" and withdraw with the compensation granted by the state. Those of them, however, who detest an idle life of pleasure and want to work, will either continue to farm their property efficiently and thereby benefit themselves and the common good, or they will find a rewarding field for their activities as various kinds of public servants in the state enterprise. The small proprietors, however, will soon realize that they have a far more favorable existence as state workers than they had as "proprietors," and will therefore turn from enemies of collective property into its most inveterate friends.

It is obvious that, as a result of all this, state (collective) property will increase rapidly. In order to accelerate the amortization of private property even more, all that is needed is a legal provision according to which anyone who has not ceded his private property to the state by a certain date will receive only a portion of the compensation granted up to that point for the subsequent expropriation, while from a later date private ownership of the means of production will cease altogether. —

With regard to the "indemnity pension" mentioned above, I have a few explanations to give so that no misunderstanding arises as to what I mean by it. There can hardly be any question of a formal "redemption" (in the manner of German feudal burdens or Russian serfdom), of compensation in full monetary value, as envisioned by Rodbertus and Schäffle, for example. After all, the inheritability of such colossal quantities of luxury goods for generations to come would ensure the continued existence of a numerous class of lazy bums to be fed by the labor of the other citizens. But this is diametrically opposed to the principle of socialism. There will, of course, be no lack of people among the hitherto privileged who call the non-granting of such a redemption an "injustice". However, we socialists are certainly not the first to not recognize such a "right" of the expropriated expropriators. What "redemption" did the Athenian Eupatrides receive at the Solonian Seisachtheia? Or the French feudal lords for the abolition of their feudal rights by the August Decrees of 1789? Or the South American slave barons for the emancipation of the Negro slaves? Or the guild masters of many countries for the introduction of freedom of trade? None.

The justice of socialist society consists in the fact that it secures to every member of it an existence equal to human dignity and an equal share in the spiritual and physical enjoyments of life, provided he cooperates to the best of his ability in the preservation and perfection of society. By this guarantee not only the formerly poor but also the formerly rich gain, since they exchange the insecurity of property with all its material and moral disadvantages for an absolute security of existence. By giving this existence to the former owner, our state is only fulfilling its duty, but also its entire duty. And if it nevertheless temporarily gives these people even more, it does not do so in recognition of a non-existent "right" to such additional benefits, but merely for practical reasons, namely to facilitate the transition from the old state of things to the new.

Only from this point of view can the compensation pension mentioned be justified, from which the way in which it is to be given is easy to see. As its name implies, this compensation (more correctly and significantly: consolation and appeasement money) is not given

all at once, but as a kind of luxury annuity. It will be a moderate one, i.e. it will not exceed the average income of the citizens too disproportionately; for this reason the percentage of the compensation will also decrease accordingly with the increasing size of the expropriated property, and at a certain level any increase will cease. This pension is received only by the expropriated generation itself; after this the last remnant of the old inequality has disappeared.

Our state will proceed in a similar way, as I have shown above with regard to the cultivation of the soil, in all areas of production and thus not only prevent private ownership — unless a high concentration of the business in question makes its immediate transfer to public ownership possible and necessary, such as, for example in the case of the coal and steel industry (in the case of railroads and other transportation institutions, unless the present state is already doing this work, it is in any case self-evident) — not only prevent it from harming the common good, but also force it to function in its service, thereby gradually consuming itself. I do not feel called upon to discuss the manner in which the principles laid down are applied to the various branches of production; I only wished to show by example the principles themselves; but such an investigation, made on the basis of present and probable future developments, would undoubtedly be very meritorious.

There is only one kind of private property to which I must pay particular attention, because in its case the above-mentioned principles do not apply throughout, owing to the nature of the case, but must undergo considerable modification. I mean that property which today is vulgarly called "capital" alone, namely the possession of money, the possession of loaned capital. Its role in our state has, of course, been thoroughly played out with the abolition of its preconditions; it has absolutely no place in an economic organization based solely on labour. Therefore, here too, there can be no question of a gradual expropriation, but it must take place immediately and at once. All debt and pledge titles of all kinds, be they mortgages, bills of exchange, private promissory bills, shares, mortgage bonds, stock exchange securities of every kind, — they are all legally transferred to

the state. The expropriated persons receive a compensation pension calculated according to the actual value of their former property. Possible debtors, i.e. those still in private ownership and not merely living off their labor, are required by the state to pay off their obligations to it accordingly. If, however, the expropriation of capital that has already been made interest-bearing must be compulsory, this is by no means the case with regard to privately owned building cash. Since the abolition of metal money, of world money, with which trade, or rather the exploitation of labour by trade, is inseparably connected, is a necessary condition of the socialist organization of our state, the money hitherto in our state is henceforth only simple metal, from which the proprietor can have tools, objects of art, etc., made, but no longer a general means of circulation, by which the proprietor can at any moment purchase whatever pleasures he pleases. The owners of metal money can now only convert their property into means of enjoyment in two ways: either they transfer their money to the state, which needs it for payments abroad and gives them a compensation pension in return. Or they go abroad with their money bags, which our state has no reason to prevent them from doing — the fewer lazy people, the better; how long they can continue their existence there is another question.

As I have already remarked above, I shall refrain from enumerating all the political and administrative changes that go hand in hand with the socialist organization of production. My intention is only to deal with a hitherto neglected area, and not to speak of things that have been and are being discussed frequently enough for one to assume at least a general understanding of them. But let me briefly point out what a colossal amount of labor will become available for production through all these reorganizations, which until now had to lie idle against their will or have a harmful effect, such as the standing army, a part of the civil servants, the temporarily unemployed etc.

Through this considerable increase in the labor force and the rational operation, in a word: through the development and combination of all real and personal production forces into a systematically managed whole, a great increase in products will take place that cannot yet be foreseen. Under such conditions, Germany,

for example, would soon no longer need to import 100 million marks worth of grain, flour and meat every year, because this country would soon be able to produce these foodstuffs itself, as soon as the enormous stretches of land that are not cultivated at all, poorly cultivated or incorrectly cultivated have been properly cultivated, and a rational, large-scale enterprise working with all the aids of science and technology has taken the place of the wasteful dwarf economy. And the same increase in products would also occur in all industrial areas, and even more so there, so that it is impossible to foresee where the shortage, indeed the hunger, which opponents predict will soon prevail in our state, will come from; it is more likely that the exact opposite will occur.

With this organization of production, however, that of consumption, i.e., of the distribution of the means of consumption, must go hand in hand, if the desired end is to be attained. That the complete anarchy prevailing in this field, the exploitation of the people by speculation, swindling, counterfeiting, mass intermediary trade, etc., is not compatible with the socialistically organized state, need not be discussed. But as necessary as the energetic intervention of the state is here, it is not so difficult, since we are not dealing here with any fixed "property". The state can easily kill the private distribution of luxury foods with its own weapon by eliminating its smaller rivals as the biggest competitor. It establishes numerous food offices in which it sells both its own products and the goods it alone imports at cost price (more on this later). Since, for the reasons given, the merchants can buy neither the domestic products nor the foreign goods more cheaply; since, furthermore, as a result of the labor protection laws to be observed by them with the minimum wage etc. Finally, since the food offices, which function solely in the service of the common good, offer consumers a much greater guarantee with regard to the quality of the goods than the merchants, who are concerned with their private profit, the latter will not be able to compete with the state for long; on the contrary, the influx to the food offices and thus the need for their increase will become ever greater until they have completely supplanted private trade. There is no need to say that the merchants will not become breadless because of this; some of them will be employed by the food offices, while another

part, which will become superfluous due to the elimination of the intermediate trade and the previous fragmentation in this branch of activity, which has caused a fabulous loss of strength, will be used in other branches of work. Whoever realizes the immense damage arising from the extraordinary luxury of transport, the equally great waste of local resources and labour, the adulteration and spoilage of goods — apart from fraud, swindling, etc. — can get an idea of how much the organization of consumption, together with that of production, will promote the welfare of our state and its citizens.

But this organization of internal relations is by no means the end of the matter. No civilized people lives only for itself, needing nothing but what it itself produces and producing nothing but what it itself consumes; the further culture progresses, the more numerous the threads of life connecting the peoples with one another, the more necessarily one needs the other. Apart from spiritual goods, which are in any case the common property of all men, our state needs numerous products which it does not possess and must obtain from other countries, while these, on the other hand, need many products which it produces in abundance. The necessary balance is achieved through international trade. This important economic function is in the most intimate interaction with internal production and consumption, from which it cannot be separated, and must therefore be subject to the same economic laws as the latter. If, therefore, the state wishes to transform its economic relations according to the principle of socialism, and to this end removes production and consumption from the arbitrariness of private property, it must do the same with commerce, because the latter is today based on the same principle of exploitation as the former, and (as the remarks on the role of commerce in the production and consumption of our state have already shown in the relevant sections) cannot be carried out at all without commerce also being socialistically organized. The old exploitative economic system cannot make way for another as long as it is still given the possibility of speculation through trade. For this reason, and since by the nature of the case there are no means whatsoever by which the private enterprise of commerce could be deprived of the possibility of harming the common good and its gradual transition to collective enterprise could be initiated, — there

can be no question here of a transitional state with regard to ownership (the situation is of course different with regard to compensation to the expropriated, in respect of which what has already been said applies), but rather the entire trade and shipping industry must immediately pass into collective ownership, into state ownership.

No merchant will deny that a trader — like our state — which has the entire export and import of an entire country in its hands and manages it according to a uniform plan, must occupy the most favorable position conceivable on the world market. Our state does not produce for the foreign market as well as for the domestic market blindly, purely on good luck, as private production must do, but it regulates its production according to the demand or order (determined by its agents abroad) and thus knows the approximate needs of export. On the other hand, he imports just as little at random, but only what can actually be consumed, about which he is precisely informed from the reports of the food offices, or from the consumption statistics compiled from them. This almost completely eliminates the trade risk for our state, which is based on ignorance of the economy as a whole; it does not need to engage in possibilities and probabilities, i.e. speculation, because it has certainty, if not in all details, at least on the whole. This makes it the safest trading company in the world. And since the quality of its goods is not impaired by the fraudulent greed for profit of private production, it is also the most solid. It "therefore does not need to look for good customers any more than for good suppliers; on the contrary, the whole world will want to trade with it, and it can therefore set the conditions; indeed, our state has a much greater influence on the world market than the latter has on it, because the latter is nothing but a chaos of a thousand interests, alternately repelling and attracting each other, whose grouping is constantly changing, while it itself is a unified, purposeful power that is always constant in essence.

Against this logical position, however, the opponents raise an objection by which they believe to prove conclusively the total impossibility of the isolated socialist state, or of socialism in general.

They argue as follows: The considerable improvement in the condition of the working people that will take place in your socialist state — higher earnings with less labor time — will make your products so expensive that foreign countries will no longer buy them. They will produce them themselves with much cheaper labor, which will far outweigh any transport and other costs. But if you lack exports, you will lack the means to acquire thousands of foreign products that are necessary for life or that make it pleasant in the first place. You will therefore lead a miserable existence in your state and at best eke out a living through agriculture and a few miserable trades.

This objection, already made by Mazzini (*I sistemi e la democrazia*), seems to have actual merit, but in actuality it is only for the thoughtless. In the whole cunning calculation that in a socialist state the products must increase in price as much as the earnings of the workers who produce them increase, only the trifle is forgotten that with this improvement in the earnings of labor corresponds the elimination of capital gains. This capital profit, however, amounts today to no less than on the average the third part (according to Boccardo in England 21%, in America 25%, in France 36%, in Italy even 58%) of the price of goods; consequently the income of the workers can still be reduced by this full third part or, if we take into account the compensation pension of the expropriated capitalists (which of course does not reach the amount of the former capital profit by far), still by a significant amount, by a fifth to a quarter of the price of goods, i.e. — taking the former capital profit as a basis — by a fifth to a quarter of the price of goods. i.e. — on the basis of Marx's assumption, according to which the values withheld from the worker by capital amount on an average to 80-100% of the wages paid — by 65-75% of today's wages, without the product being in the least redistributed! In addition to this, however, the material costs of production will be considerably reduced as a result of the thorough elimination of the already mentioned innumerable evils of the present mode of production and by the highest increase of all economic forces, resulting on the one hand in a further improvement of the situation of the producing workers, or rather of the citizens of our state, and on the other hand in increased competitiveness. The

socialist organization of production is therefore also of the greatest benefit to our state in terms of competitiveness on the world market — far from harming it.

A non-socialist production whose workers were in approximately equal conditions with those of our socialist state before its reorganization with regard to their material situation, i.e., their wages and the necessities of life (and equality of this kind has already been largely achieved in most cultured states and is increasing daily), will never be able to become a danger to our state as a competitor on the world market. For since, for the reasons given, the products of our state are by no means becoming more expensive, non-socialist production could only compete successfully with them by supplying products of the same quality more cheaply. Since, however, this could not, of course, be done at the expense of capital profits (otherwise what use would it be to the entrepreneurs), there would be nothing left but a reduction of production costs, i.e. — since a reduction of material costs is not possible with the mode of production employed — of labor wages. But whether the workers, who are already in a very bad situation under the regime of the capitalist mode of production, would so calmly put up with a further deterioration of the same in view of the favorable position of their brothers in the socialist state, is probably at least very doubtful, all the more doubtful as the socialist state would not stand idly by and watch such a beginning.

After what has been said, there can no longer be any doubt that in our state a reduction in production due to a lack of exports will in no case occur, but rather an increase in exports and consequently in production. With this, however, also falls the further objection that in the (isolated) socialist state all those industries which produce objects of comfort, well-being, luxury, will perish for lack of sales, and thus a large number of workers will become breadless. For the reasons given above, products of this kind will continue to be procured from abroad as before — provided, of course, that there is no change in taste, which collective production can satisfy at least as well as private production. Furthermore, it should not be forgotten that the domestic consumption of a whole range of such products will increase considerably, as many such products, which were previously

only accessible to the rich, will become commonplace as a result of the significantly improved situation of the people. Should, however, one or two branches of industry producing extraordinary luxury articles actually cease to exist, owing to a strike of consumption on the part of the bitter foreign rich and a complete lack of sales at home, little harm would be done; the workers hitherto employed in these industries would simply pass to another branch of production, in which they would employ their labor in a manner more useful to mankind than hitherto.

So much for our state as an exporter. As far as imports are concerned, the position to be assumed by our State cannot for a moment be denied, as soon as it is remembered that it alone imports and arranges the distribution of imports. This fact renders the two forms of international trade, protective tariffs and free trade, over which the whole world is now arguing most heatedly, completely obsolete. There is no private importation into our State at all, neither with nor without import duty; but the State need not impose a duty on itself. Trade between our state and foreign countries, or between socialist and non-socialist production, is regulated in a far simpler and more direct manner. The greatest danger for our production — apart from the competition of cheaper foreign products on the world market, which has already been mentioned — lies in the fact that foreign countries manufacture certain products, including those produced by us, so cheaply that, despite the transportation surcharge, they are even cheaper for us than our own products and thus pose dangerous competition to our production. In this case, our state will have to take two measures. Either the reason why those products can be supplied so cheaply is a permanent one, which cannot be raised by alterations in the mode of manufacture, and is therefore bound to certain localities, natural resources, etc.; in this case the state will give up the production which has become unprofitable, and utilize the forces hitherto employed in it better elsewhere. Or the cause is a temporary, variable one, e.g. extraordinarily low wages (slaves, coolies); then the product in question will either be completely excluded from import or, insofar as it is permitted, its selling price will be completely equalized with that of the domestic product. In the latter case, since our state naturally

does not have any indirect taxation, the domestic product will have to fall in price, but this will not result in a loss, since the underpayment of the domestic product will be compensated by the overpayment of the imported product.

Our state tolerates nothing foreign within it that exists according to conditions other than its own, for it is not a heap of incoherent atoms of forces that change their connection at will, but a living organism; whatever enters it must adapt and assimilate to it. Another economic connection between our state and foreign countries must be considered, which, however, is not a matter of perpetuation but of rapid dissolution. This connection is the private ownership of foreigners (private individuals and states) in our state, namely the ownership of both instruments of production and borrowed capital. Naturally, this ownership is subject to the same laws as that of nationals with regard to its restriction or abolition. And insofar as these foreign private properties become citizens of our state, the same provisions will also apply with regard to the compensation to which they are entitled. However, the situation is different for those who remain foreigners. Above all, of course, the luxury food pension is not applicable outside our state for practical reasons alone. Furthermore, a permanent debt relationship between our state and a foreign country is inadmissible, since every interest payment, no matter how it is structured, is a dependency, a servitude. For both reasons, the compensation of these foreign private owners, for the immediate elimination of their property rights, will be a one-off payment, payable in cash or (foreign) securities. Whether this compensation consists of the full repayment of what has been lent or of the property otherwise disposed of, or according to what measure, will probably be determined by specific circumstances that cannot be calculated in advance. It remains for me to say something about the general relations of the isolated socialist state to the other states, or rather, since each of them — as Plato already said of the Greek states — consists of two states, that of the rich and that of the poor, to the people on the one hand and the privileged on the other. That our socialistically organized state, which secures to each of its citizens full political and social equality and an economic existence, which in other states only a few privileged percentages of the population have,

— which, by abolishing bondage and exploitation in every form, first gives its citizens actual freedom and thus true human dignity and joy of life, — that this state will exert an immense attraction on all peoples who have become aware of their situation: about this there will probably be no difference of opinion among reasonable people.

The first least significant consequence of this power of attraction will be a large influx of foreign workers into our state. The socialist state knows no distinctions of nation or race — every man in it has the same rights as he has the same duties; our state has therefore, of course, no objection in principle to the immigration of new citizens. And yet it will be forced to restrict it substantially. Suppose there were a state of emergency abroad or in some part of it — perhaps it would not even be necessary and the general longing of foreign workers for the conditions in our state would suffice to induce mass immigration into the latter. Under these conditions, the danger would arise that eventually there would be far more people in our state than it could adequately feed. Averting this danger is therefore a condition of existence for our state. In addition to the preservation of its existence, however, the restriction of immigration serves another, equally important purpose: it is an incentive for those who are prevented from immigrating to introduce the better conditions sought in our state into their own countries.

The isolated socialist state, by its very existence, calls upon the haggard and exploited peoples of all zones to be anxious to improve their domestic conditions; for it shows them by living example what they can achieve if they only seriously want to, and how they can achieve it. However, our state will by no means limit itself to this visual instruction. After all, it does not consist of cold egoists who are completely satisfied when they themselves are doing well and no longer care about the rest of humanity; Rather, its citizens are socialists who do not want to liberate one class, one people, one race, but the whole of humanity from the old slavery, — for whom this great work of liberation has not been accomplished as long as there is still one oppressed and rightless person, — who do not consider their own freedom and welfare secure as long as there is still a piece of economic and political tyranny, and who will therefore not rest until

the last privilege has been eliminated from the world. Our state will therefore also actively contribute, by all means appropriate to the circumstances, to ensuring that socialism comes to power in the other countries as quickly as possible.

It is therefore to be expected that the governments and ruling classes of all states will hate our socialist state as mortally as the peoples cheer it. The same case will and must occur here as with the establishment of the first French republic, against which all other governments also took a hostile position; for they knew that the victorious revolution would soon flood the French borders, and that with the lasting existence of a vigorous (revolutionary) republic the overthrow of the autocratic and aristocratic regime in their countries, too, was only a question of time. Just as little as an actuality of friendship was possible between the republics of Danton, Marat and Hebert and the reactionary governments of old Europe, so little will it be possible between a socialist state and the non-socialist governments of the other states. This does not mean, however, that both parties will fight each other incessantly with weapons in their fists, which at least our state will not take the initiative to do, since it rejects war in principle and only accepts it as a necessary defense. Rather, this struggle — as far as our state is concerned — will be a thoroughly bloodless one, but no less intense for that; for it is in the nature of the socialist state that it promotes the aspirations of the peoples for political and social liberation in every way and thus works unceasingly towards the "undermining" of those forms of oppression.

But however natural the hatred of the ruling classes against our state may be, it will be impotent. Above all, the difficulties arising from the ever more powerful growth of the social movement within their own countries will so fully exhaust the power of these classes that they will not voluntarily create external difficulties for themselves and bind themselves to an opponent whom they have every reason to fear, firstly because he is in himself a united, powerful force, and secondly because he has a very strong party in their own countries. But if they also want to meet our state with hostility — in what way do they want to begin? Do they want to harm it by

economic measures, by prohibiting imports and preventing exports? Quite apart from the power of our state to counter such action: the foreign country needs the products of our state as much as it is in its (the foreign country's) interest to find a buyer for its products in our state; there can therefore be no question of such a measure in the foreign country's own interest. Since petty friction and drudgery are of course out of the question here, only open violence remains.

And what chance would those governments and ruling classes have? They would have before them the most powerful armed community that has ever existed; for our state is not an imaginary "fatherland" for its citizens, but the epitome of a free and happy existence, which is damaged and destroyed with it, for which reason it has at its disposal a defensive army such as the world has never seen before; to which must be added the fact that it is in unlimited possession of all material means of defense. What about the power of his enemies? Their peoples are not in their camp; on the contrary, they are the best friends of the state which their rulers are fighting against, and will support it in every way, even directly by force of arms if necessary. The standing armies? They consist in their mass of the very people whose cause is indissolubly bound up with that of the state they are fighting; their victory would be the worst blow to themselves, but the victory of their "enemy" would be their liberation. And behind them the people from which they emerged, as open partisans of their "enemy"

Can the outcome of the battle be in doubt? The first defeat of the "glorious armies of war" — and the rulers in question would be swept away by their own peoples and armies like chaff in a storm and their rule would be ended for all time.

The rulers of the non-socialist states will therefore, for better or for worse, have to give up their alliance with the hated socialist state. With this invincibility, however, not only the complete security and independence of our state from external influences is guaranteed, but also its supremacy, its almost unlimited influence both on international affairs and on the internal life of the non-socialist states. This influence can only have an extremely beneficial effect on humanity: it will put an end to the general insecurity caused by the

unbridled arbitrariness of the powerful and replace it with the steadiness of natural development. What causes the mass murders of wars other than arbitrariness? And the civil wars, both open and secret, whether the peoples are suppressed by breech-loaders and cartridges or by "laws" and police, or whether in desperation they finally take up arms themselves and take terrible revenge on their tormentors? They arise through the arbitrariness of the rulers, the powerful, who do not want to submit to the laws of human development and rise up against them, even if the well-being of millions is destroyed in the pursuit of their special interest.

This arbitrary power will sink into impotence in the face of the powerful alliance of the socialist state and the peoples who rely on it. From now on, social development will have free rein; no longer held back by violence, it will no longer need to create space for itself by force and thus enable the peaceful transformation of the old capitalist society into the new socialist one that we all strive for. However, if those who have been in power up to now do not submit to the inevitable and, in their blindness, once again throw themselves in the way of the inexorably advancing wheel of history, then the struggle will be as short as its outcome is undoubted. Even after the removal of the previous obstacles to their development, the states and peoples will not reach the goal of socialism at the same time, but sooner or later, depending on their previous development; in any case, however, our state will very soon cease to be the isolated socialist state.