Professor Nove contends that I wrongly attributed to him a myopic view of the ideological motives behind Bolshevik economic policy, when in reality it is my view that is distorted because it overemphasizes those motives. I agree with Nove that "no major action in the real world of politics can be attributed solely to ideology." (If I suggested that he argues in contrast for no ideological role, I apologize.)

My claim is that the major role played by non-ideological factors was in influencing not the policies of "war communism," but the manner in which they were implemented. The aspirations expressed in "war communism" were not born in the crucible of military expediency, but originated instead in the political economy of Karl Marx and were transformed into praxis by Lenin from 1918 to 1921.¹

Against this claim, Nove raises not only the general issue of the role of ideology in Soviet history, but also the intriguing matter of Trotsky's and Bukharin's policy positions in the period following "war communism." Nove admits that no serious scholar of Soviet history can deny that there


Peter J. Boettke, Department of Economics, New York University, 269 Mercer Street, 7th floor, New York, NY 10003, phone (212) 998-8959, fax (212) 995-3932, is the author of The Political Economy of Soviet Socialism (Kluwer 1990).
were ideologically inspired excesses during "war communism," but he points out that "as soon as war communism ended Trotsky never returned to the theme of labor militarization, and Bukharin became almost overnight the principal apostle of NEP." He concludes from these facts that labor militarization and opposition to economic markets must have been due primarily (though not exclusively) to "the necessities of war." But unless we are to fall into post hoc ergo propter hoc reasoning, more must be done to explain the reason for, and the nature of, the change in Trotsky's and Bukharin's views.

The policy pronouncements of Trotsky and Bukharin are a mixed bag in the 1920s. Although Trotsky did not continue to advocate labor militarization, he did press for planned industrialization and an anti-kulak campaign, and he continually referred to NEP as a temporary retreat. "Only the development of industry creates an unshakable foundation for the proletarian dictatorship," he wrote.²

Trotsky did not accept (at least in the 1920s) that "war communism" had produced economic chaos because it necessarily brought too much administrative responsibility on itself. Rather, he claimed that its failure was due to lack of administrative ability. NEP, Trotsky argued, did not differ substantially from "war communism" with regard to the planning principle. The difference lay in the method of planning. Under NEP, "arbitrary administration by bureaucratic agencies is replaced by economic maneuvering," but industrial development must still be guided by the State Planning Commission. The system of "one-man management must be applied in the organization of industry from top to bottom." As Trotsky saw it, the main problem in meeting this goal was "the inadequate selection of business executives."³

Better selection of personnel and the establishment of correct incentives for economic planners would ensure a successful extension of the planning principle. This extension would not just lead to the modification of the market, but to its eventual replacement. "In the final analysis," Trotsky said at the Twelfth Party Congress in 1923, "we will spread the planning principle to the entire market, thus swallowing and eliminating it. In other words, our successes on the basis of the New Economic Policy automatically move towards its liquidation, to its replacement by a newer economic policy, which will be a socialist policy."⁴

However, Trotsky's program of industrialization remained fundamentally incoherent throughout the 1920s. He feared concessions to foreign capital, yet he wanted to import capital resources to build up industry. He maintained a siege mentality and argued that foreign capitalists would not deal with Soviet Russia, yet he supported foreign trade. He supported NEPist reforms, yet argued that the market must be liquidated. Despite all
the equivocation, however, as Nove has himself pointed out, Trotsky never fully escaped from his fear of the “market devil.”

Bukharin’s position is even more puzzling. In fact, Bukharin’s “swing to the right” is one of the great mysteries in early Soviet history. During the “war communism” period he represented the extreme left wing of the Bolshevik party. His books *The ABC of Communism* and *The Economics of the Transition Period* were regarded as the theoretical manifestos of “war communism.” They defended the policies of coercion and extreme centralization that the Bolsheviks had implemented from 1918 to 1921. While many readers are shocked by the conclusions Bukharin reached in these works, it is even more amazing to witness his swing to the right under NEP. Not only was Bukharin one of the premier theorists of “war communism,” he was also the premier theorist of NEP.

The failure of “war communism” deeply affected Bukharin’s thinking, representing—along with the adoption of NEP—“a collapse of our illusions.” “War communism,” Bukharin argued, had been viewed “not as military, i.e., as needed at a given stage of civil war, but as a universal, general, so to speak ‘normal’ form of economic policy of a victorious proletariat.” The tentativeness of the political alliance between the workers and the peasantry and the economic annihilation of industry and agriculture in 1921 conflicted with Bukharin’s original expectations of socialist construction. But unlike the other Bolsheviks, Bukharin had a paradigm with which to interpret these failures: economic theory.

Bukharin was a serious student of bourgeois economics. During his exile from Russia, he studied economics in Vienna and attended Böhm-Bawerk’s seminar on economic theory. He later embarked on a serious study of the theories of Walras and Pareto. His book *The Economic Theory of the Leisure Class* (1919) was a product of these studies. Bukharin was well aware of both Böhm-Bawerk’s and later Mises’s criticisms of Marxist economics and socialist organization. In 1925, for example, he referred to Ludwig von Mises as “one of the most learned critics of communism” and admitted that Mises was right about the unfeasibility of socialism, at least given the current stage of cultural development in Russia. Bukharin went on to state that viewed in its economic essence, “war communism” resembled the command socialism that the learned economists of the bourgeoisie predicted would lead to destruction. And NEP represented the rejection of this system and the “shift to a rational economic policy.”

But Bukharin’s position, like Trotsky’s, remained fundamentally at odds with itself. For while he admitted the necessity of the retreat to the market, he maintained that NEP was nevertheless a political victory for socialism. “When we crossed over to the NEP we began to overcome in practice the . . . bourgeois case against socialism. Why? Because the meaning of the NEP
lies in the fact that by using the economic initiative of the peasants, of the small producers, and even of the bourgeoisie, and by allowing private accumulation, we also placed these people objectively in the service of socialist state industry and the economy as a whole.9

Through the use of market stimuli, private interest would be mobilized for the good of social production. As long as the Bolsheviks held the “commanding heights” of the economy, the “backward strata of the proletariat (who were motivated by noncommunist ideas and private interests)” would be made to serve the interests of socialism. By means of “socialist” competition and economic struggle, the socialist sphere would eventually come to squeeze out private interests.10

The transition period would last a long time and would have to be managed carefully by the political leaders so that political power would remain firmly in the hands of the Bolsheviks. The creeping socialism that Bukharin advocated was a result of his recognition of the importance of balanced growth in developing the industrial base upon which the future (full) socialist society could be erected. Thus, despite the apparent drastic shift in position, Bukharin’s appreciation of market forces in guiding economic development should not be exaggerated.11

Bukharin understood, at least to some degree, the problem of matching production plans with consumption demands that must be overcome in the process of economic development. This understanding underlies his demand for capital proportionality within his strategy for economic growth. It served as the basis for his acceptance of an essentially market-oriented model for economic development and industrialization at that stage of Soviet history. But in the ideal Marxian future, where production would be for direct use as opposed to exchange, Bukharin held the view that capital proportionality would be maintained by the planning board’s calculation of the appropriate use of capital resources in advance of any economic process. Commodity exchange and production, in such a world, would be abolished— an ancient relic of a capitalist world now surpassed.

To both Trotsky and Bukharin, therefore, NEP represented a pragmatic retreat from the zealous attempt of “war communism” to introduce socialism immediately. But the basic structural goals of “war communism”—the liquidation of commodity production and the establishment of complete and comprehensive economic planning—remained their aims. In the future, once the appropriate industrial base was established, the full socialism of “war communism” could be implemented again. We cannot forget these ideological aspirations if we wish to make sense of Soviet history.

My CRITICAL REVIEW paper deliberately refrained from a full treatment of Nove’s interpretation of Soviet history because his views are more complex, balanced, and therefore difficult to summarize, than those of either
Maurice Dobb or E. H. Carr. However, my book, The Political Economy of Soviet Socialism, does treat Nove’s ideas at length. Though the book admits that Nove’s presentation is very subtle and sophisticated, it contends that his habit of introducing emergency conditions to explain away ideological aspirations produces a misreading of history.

Nove arrives at his conclusions concerning “war communism,” just as Dobb and Carr did before him, by discounting Marxian aspirations to supersede the market by eliminating money and exchange relations. Nove justifies this move by arguing that Marx’s economic analysis is confined to capitalism and does not extend to the economic problems of socialism. No doubt Marx did not wish to write “recipes for the cookshops of the future,” but this was not in order to avoid the problem of examining socialist society. Rather, it represents a crucial aspect of Marx’s particular approach to social theory. In this fashion Marx moved beyond the utopian socialists. As Don Lavoie has argued, Marx did not blame the [utopian socialists] so much for discussing socialist society as for the way in which they discussed it and for the contradictions within their descriptions. Marx’s scientific socialism was not merely an excuse for avoiding any examination of socialist society. It was a recommendation of a particular method for the conduct of such an examination—that is, that socialism be described through a systematic critique of capitalism. For Marx, studying capitalism and developing a positive theory of socialism are two aspects of the same endeavor. Marx conducted a critique of capitalist society from the standpoint of socialism, intending to reveal by this study the main features of the future socialist society. . . . In many respects, where Das Kapital offers us a theoretical “photograph” of capitalism, its “negative” informs us about Marx’s view of socialism.

I suggest that it is Marx’s implicit view of socialism that informed the Bolsheviks, inspired them, and guided them in their attempt to construct a better world order. Much of the meaning of these events is lost if this is overlooked.

NOTES


7. Nikolai Bukharin, *The Economic Theory of the Leisure Class* (New York: Augustus M. Kelley, 1970 [1919]). In the preface to the book Bukharin wrote that his “selection of an opponent for our criticism probably does not require discussion, for it is well known that the most powerful opponent of Marxism is the Austrian School” (9).


9. Ibid., 189.

10. Ibid.


