

AFTER LENIN



By the Same Author:

RUSSIA AND THE STRUGGLE FOR PEACE
BOLSHEVISM IN RETREAT

AFTER LENIN

THE NEW PHASE IN RUSSIA

By

MICHAEL FARBMAN

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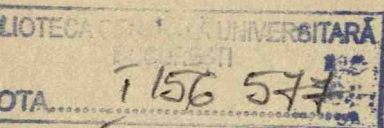
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PART I

LENINISM WITHOUT LENIN

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CHAPTER I

THE EVOLUTION OF THE REVOLUTION

RADEK, the witty Bolshevik journalist, tells the following story of an English admirer of the Bolsheviks. "He is disappointed with us," says Radek, "because we failed to supply him with the fifth chapter of his book—the story of how the heroes died, fighting gallantly till the last. He has never forgiven us for our impudence in continuing to exist as the ruling party in Russia." In this story Radek, to my mind, stresses the most remarkable feature of the present situation in Russia, the fact that the very party and the very men who led the Revolution through its destructive phases are now responsible for the policy of reconstruction. To speak in terms of the French Revolution, it is as if the leaders of the Terror were undoing their own work and were inaugurating Thermidor.

This unparalleled and equivocal position constitutes the intrinsic difficulty of the Russian Communist Party and of the Soviet Government; while at the same time it of necessity prevents public opinion throughout

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the world from forming any correct idea of what is actually going on in Russia. It is indeed more than anything else responsible for the obstinacy with which people adhere to the exploded prejudices of a few years ago. Most of us are so accustomed to judge a revolution in the concrete, by names and persons and labels, that we are unable to recognize that time and responsibility must change and modify its leaders. Had Lenin and his colleagues been thrown from power and replaced by a party pledged to the policy which the Bolsheviks are now actually carrying out, everyone would be perfectly convinced that a great change had taken place in the government of the country. But despite the fact that our entire mental and material environment compels us to admit that we are constantly undergoing change, despite the fact that individuals and parties are never exactly the same at any given period, we still cherish a natural inclination to judge events and changes not by their essential qualities but by the way in which they conform or fail to conform to old legends and preconceptions.

I must apologize for indulging in this commonplace; but there comes a time when the obvious has to be rediscovered and restated. It certainly has to be restated in any consideration of the brief but eventful history of the Russian Revolution; for no intelligent policy can be adopted in dealing with Russia unless the position of the

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Communist Party in the struggle for power in that country is properly understood. Even those who think that the only proper policy for the West¹ is to let Russia stew in the juice of Bolshevism would be well advised to study the realities of political life in Russia if they want to estimate how long they may have to wait and with whom eventually they may have to deal. In certain circles there still seems to prevail an idea that the Russian Revolution is a kind of dense fog which will ultimately disperse, and that from the fog the old Russia is bound to emerge; all that is needed being patience. One thing, however, is certain: whatever happens in Russia, the revolutionary period has so shaken the people that it is bound to have a lasting effect not only on their politics but on their mentality and outlook. Any changes that take place in Russia, however radical they may be, will spring from the conditions of to-day. The greatest obstacle to a proper appreciation of the Russia of to-day seems to be found not in that country but in the West. It is a psychological difficulty arising from the reluctance of Europe to find any redeeming features in the Russian Revolution. Until the West recognizes that the main achievements of the Russian Revolution cannot be annulled, all attempts to resume normal relations with Russia must fail.

In every great revolution the exaltation of the occasion and the acquisition of power make the

¹ By "the West" I mean Europe exclusive of Russia.

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leaders believe that their opportunities are unlimited. They imagine that they can now do anything, from changing the calendar and the scale of weights and measures to altering the mentality of the people and to abolishing God and the family. In time, however, these swollen programmes dissolve. The Russian Revolution furnishes numerous proofs, both small and great, that the old order cannot be entirely transformed. To give only one example, it is well known what great importance the Bolsheviks attached to creating a new state machine. According to them a new state machine was indispensable, and as a matter of fact nothing was so completely destroyed in Russia as the old one. The clean sweep was the easier because the entire personnel of the old bureaucratic machine boycotted the Bolsheviks and ceased therefore to function. But after spending five years in untiring efforts to eradicate the old spirit and to build up an entirely new machine of state, Lenin had to confess a few months before his death that the new bureaucratic machine was "adopted from Tzarism and only slightly anointed with Soviet oil."

There are, however, some revolutionary changes which are fundamental and can therefore never be undone. After all, a great revolution is nothing but a change of property rights. It is not my business to define the historical, social or economic conditions which make a change of property rights inevitable.

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I wish only to stress the point that, where such a change of property rights has taken place, it is sheer folly not to recognize it. Many people may be deeply convinced that the confiscation of the landlords' estates in Russia was sheer robbery; but it must not be forgotten that the Russian peasants take a very different view of the transaction. To them the expropriation of the landlords was a sheer act of justice divinely inspired.

Once then the change of property rights has been made, the revolution is practically over. The very men who yesterday were bent on destroying the property of others will be found to-day the most conservative in retaining what they style the gains of the revolution. No waving of the red flag, no indulgence in revolutionary jargon can alter the fact that the Russian people has never in history been so completely intent on acquiring and retaining property as at the present time.

Indeed, if I were asked to sum up my impressions of my recent visits to Moscow I should be inclined to dwell chiefly on two points, on the one hand on the complexity of the conditions now prevailing, and on the other on the striking evidences of activity and energy. Certainly I myself never realized how complex the situation in Russia is until I returned there in March of this year. I had to face first of all the fact that the national and cultural characteristics of old Russia are still alive and at work. But the more I was compelled to

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realize their survival and influence, the more I was obliged to recognize the intensity of the revolutionary process. I saw quite clearly that the relative position of groups and classes rather than their fundamental qualities has been changed by this process.

The usual comparison of a revolution to a whirlwind seems to me to be much more than a mere metaphor. It indicates the tremendous displacements which such a cataclysm always brings about, displacements which rarely affect the intrinsic characteristics of the social particles so dispersed. The comparison of the Russian Revolution to a colossal plough which has made deep furrows in the earth and has ruthlessly mixed up the various soils is perhaps more illuminating; for it is a strict reflex of the fact that the entire revolutionary process was a change not of substance but merely of position. I soon became convinced, however, that this change of position is so tremendous that it may be said to be creating a new Russia.

Russia of to-day, in fact, strikes the visitor as a country which is equally remarkable for the innovations it is making in politics and economics, and for its steady adherence to old national and cultural qualities. This adherence to tradition is indeed, paradoxical as the statement may appear, itself rather a feature of new Russia. Before the Revolution all progressive Russians were inclined to reject history and tradition as abhorrent and reactionary. But now, seen in perspective, history

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appears to the average Russian in a new and attractive light, and tradition becomes a welcome bridge between the evils and splendours of the past and the promise of the future.

This intermixture of old and new, of traditional and revolutionary elements, is responsible for the contradictory opinions which are expressed on post-Revolutionary Russia. Those who come in touch with the new social and economic relations declare that Russia has completely broken with its past; while those who encounter the familiar and almost unchanged national aspirations make the opposite mistake of denying that Russia has changed at all. Anyone, in fact, who thinks that he can sum up the situation in simple terms one way or another is merely trading on the ignorance of the public. The only way of getting in touch with realities is to recognize the complexity of the situation, and to understand that the forces at work are not only those of revolution but those of history and tradition.

There is another way of approach which I should like to point out, the approach without superstition. Everyone will admit that it is only fair to judge a country without bias. But bias is not only the result of ill-will or preconception, it is sometimes simply the result of inability to understand the workings of a world other than our own. We are apt to forget that other persons and other nations react to life

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not exactly according to our own conception of their interests, but sometimes quite differently. In the opinion of the world the Bolshevik Government originated in usurpation and tyranny. It follows therefore, in the abstract and amazing logic of the superstitious, that the Russian people ought to hate it so much as to welcome famine, intervention and any other national evil or disaster which might help to dislodge it. People who were obsessed by this superstition were in fact genuinely surprised when they found that the Russian people were much more alarmed by the evil effects of intervention than by the evils which this intervention promised to abolish. If Western statesmen had been free from the superstition which regards Russia as a different and a mysterious country, they would have recognized *à priori* the inevitable reaction of Russia to intervention. But this mental bias is so deep-rooted that even the failure of the policy of intervention, a policy which united the Russian Government and the Russian people instead of separating them, has failed to eradicate it. English people are still inclined to judge Russia as if Russians differed in fundamentals from all other human beings. They seem to think that if a Russian is kicked he meekly crosses himself and takes the kick as a blessing. The Revolution and the events which followed the Revolution should have convinced Western opinion that the idea of Russians being a mysterious and irrational

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people is a sheer misrepresentation. As long as this misrepresentation is accepted as gospel, European statesmen and public opinion will necessarily proceed from blunder to blunder in dealing with Russia.

It is then this intermixture of old and new, of traditional and revolutionary elements, which is responsible for the growing tendency among Russian politicians to abandon simple solutions. The grotesque simplicity with which the Bolsheviks envisaged the prospect of rearranging not only Russia's but the world's affairs has gone, and even the most doctrinaire Russians now recognize the complexity of these problems.

But, while the people of Russia have come to recognize that simple solutions of their own and of other people's affairs are futile, the people of the West, I am afraid, are still retaining the habit of finding simple, too simple, explanations of the workings of the Russian mind.

In the West people continue to think that the Soviet regime is still an alien body, which is tolerated by the Russian people because they cannot escape from its power. But in Russia the new regime is, after all, the existing fact of life. It is in this new environment that the people have been living and moving and associating with one another for years. They may not realize how essentially they themselves have become a part of it; but the fact remains that the Soviet Government is becom-

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ing almost traditional. In the history of a people there can be no such thing as a vacuum. The phrase "evolution of revolution" is not simply a play on words; it has a real bearing on facts. It means that even a revolution is unable to interrupt the process of evolution for more than a very short time. The assimilation of old and new, of yesterday and to-day, is a permanent process. Every day a new world is born.

When I arrived in Moscow in the spring of this year, after an absence of eighteen months, I seemed to have come into quite a new atmosphere. Not only was I struck with the sight of houses whitewashed and repaired, and of pavements relaid and in good order, but with the enormous increase of traffic, light and heavy. There were many new tram-cars, and the tram service was practically running as in pre-war time. The general impression I derived was that people are settling down. Yes, people are undoubtedly settling down, and (if I may be allowed to mix metaphors) they are launching out. They are improving their flats and houses. They are buying clothes and furniture and wall-paper. They have even started to save money, a fact which the Bolsheviks seek apparently to dignify by the device of changing the old name State Savings Bank into Toilers' State Savings Bank.

The big banks, with their enormous façades and their gold glass signs in Russian, French, German and English, are another sign of the

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new spirit of enterprise and lend a decidedly foreign and capitalist aspect to "Red Moscow."

Another remarkable example of the general revival is the prevalence of new and aggressive shop signs. These large metal facias, with their golden letters on a dull black background, are all the more conspicuous because the words inscribed on them hit the average Russian in the eye; so foreign and barbarous is the telescoped jargon in which they are written. From every shop-front they flash the message of "get a move on," "trade," "get rich quick." There is a hustle in the Moscow of to-day which is foreign and almost American. With all this activity, however, the housing problem has not yet been solved. The city is dreadfully overcrowded. The old buildings destroyed or burned have still to be repaired, and new houses are badly needed. But even this overcrowding contributes to the impression of hustle which one gets everywhere in Moscow.

The old idea one used to get of Revolutionary Russia was that of a state amorphous, with unlimited possibilities, which, however, could only be developed in the distant future. To-day one can see clearly the unmistakable contours of the new State.

There is indeed an obvious stability and confidence in the Russia of 1924. People seem to be making plans for the future and not to be preoccupied with the troubles of to-day. Relations have become more com-

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plex; but at the same time they can be more or less foreseen and taken into account. The public and the authorities have lost that nervousness and over-excitement which was due to the unstable position of the political and economic situation. The fear of famine or of political cataclysm is beginning to disappear. The militant and revolutionary psychology tends also gradually to become obsolescent. The sense of realities is slowly reappearing, and the people are commencing to adapt themselves to their new environment.

A revolution is, after all, only the overcoming of the inertia of the old regime. But the very process of overcoming the old inertia is replacing it by a new one. The Russian Revolution has already reached a stage at which it lives not only by fresh energy but by virtue of its own inertia.

CHAPTER II

THE STRUGGLE FOR POWER IN RUSSIA

THE important point to grasp in any consideration of the political future of Russia is the fact that a new ruling class is being evolved. Russia has never been so fortunate as to possess a ruling class in the European sense of the word. Certainly the nobility was traditionally recognized as the first order in the empire. But the nobles never actually exercised real power; for though the bureaucracy was recruited from them, it was in fact independent of them as a class. It was, indeed, independent of any class, absolutely isolated. Certainly the monarchy and the bureaucracy were accustomed to invoke the name of the nobility in any reform they initiated. But, as a matter of fact, the nobility, having no instrument of publicity in their hands, had never any direct or immediate say in such matters. And though the monarchy was permeated with the feudal ideas of the nobility, the nobility was in no proper sense the ruling class. The nobles had many privileges but no political power. They were the "foundation" of the State;

but they could make no claim to "being the State."

The merchants, the bourgeoisie, on the other hand, had infinitely less influence in State affairs than the nobles. Not even in an elementary form could they acquire the position of a ruling class. This failure to assert themselves as a class was due, firstly, to the belated advent of capitalism in Russia, and, secondly, to the outnumbering of Russian capitalists by foreigners, who naturally had little desire to wield political power, as long as the monarchy was able to guarantee them cheap labour and handsome profits. The Russian bourgeoisie, besides being weak, was handicapped by the jealousy of both the nobility and the bureaucracy, to whom the merchant class always remained the despised "chumasy"—"the unwashed traders"—who try to push themselves forward in an impudent fashion.

This disability of the nobility and of the bourgeoisie explains why Russian political parties have always represented ideas rather than interests, and have been made up of intellectuals furnished by all classes rather than of whole classes or groups. The peculiarity indeed of political life in Russia has been the complete absence of the party system. There were many groups in opposition; but a party in power never existed. No party, up to the creation of the Duma, ever contemplated the possibility of assuming power. The constitutional parties merely claimed the right to

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recognition as an opposition; what they wanted was not to govern, but to criticize and to interpellate the government. The revolutionary parties, too, though determined to smash all and every government, never contemplated the idea of assuming themselves the government of the country, and indeed were entirely opposed to taking any part in it.

Members of Russian revolutionary parties have generally been intellectuals of the Dostoievsky type, idealists and dreamers, introspective, doubting, hesitating, diffident. Propagandists and conspirators, they were never men of action; they never even expected to have to act, except perhaps in a spasmodic and impulsive fashion. In Russian revolutionary history these men showed themselves capable of great self-sacrifice; but when the testing moment came, when the success of the Revolution of 1917 threw them up and they were called to assume power in the State, they proved themselves not only inexperienced, as might have been expected, but timid and perverse. At a time calling for energy, decision and initiative they had no programme ready, and possessed no other qualifications for government than those of agitators and sentimentalist. They were great talkers, men of mood not of action; and, accordingly, when the Revolution began, it began with the usual flood of talking. The endless speeches of Kerensky and of the early Soviets caused astonishment and indignation among non-Russians, who could not help



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regarding such an orgy of oratory as the work either of madmen or of wreckers. But to Russians it seemed quite natural.

At the very moment when the West was looking for the arrival of the strong man who should dissolve this hopeless chaos and stem this endless flood of words Lenin emerged; and we can now see that the success of his little party was predestined. Lenin supplied, what had always been lacking in previous Russian parties, a programme and a purpose. He knew what he wanted, and he knew how to obtain it. The organized and businesslike persistence of the little group of Bolsheviks was bound to meet with success; for they brought with them new methods of political activity and a relation to life quite unusual in Russia, and constituted a rallying point for the growing forces of opposition.

Apart from the cruelty they showed to their opponents, it was the social and economic experiments which they made that aroused the fiercest resentment against the Bolsheviks; but, as a matter of fact, what they tried to effect was—as theory and doctrine—not absolutely foreign to Russian revolutionary ways of thinking. The Bolsheviks were only more reckless and uncompromising than the other groups of Russian Socialists. In many ways their economic experiments had been anticipated by Kropotkin in his “*Conquête du Pain*.” As a theory, indeed, Bolshevism is a mixture of typical rigid Marxian dogma and of the

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characteristic Russian propensity to run amok. This tendency known as *boont* was immortalized by Poushkin in the words: "A Russian *boont*, senseless, merciless." Manifest all through Russian history, it expresses the self-assertion of men who embody their protest against some grievance in forcible action, who are ready in redress of this grievance to smash through all and every opposition, and who, from exuberance of vigour and uncontrollable passion, rejoice in encountering the maximum of opposition. Proclaimed as the last word of the social economic gospel, Bolshevism is, in fact, a revival of the spirit of Bakunin, the untamable and insatiable spirit of revolt and of Russian extremism, which preaches an absolutist philosophy and declares for "all or nothing," for "to-day or never." In their impetuosity and ardour to establish a new order overnight the Bolsheviks tried to imitate the Paris Communists of 1870, whom they were proud to consider their spiritual ancestors. On the other hand, in their attitude to the State, which they regarded as supreme, they were commonplace followers of the most uncritical Marxian doctrine.

But all this was not new in Russia. What was new and really surprisingly new about them was the tenacity and thoroughness with which they went to work. The strict discipline and thorough organization of their underground party, the constancy of their effort, the indomitability and energy shown in the pursuit of their

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aims startled the average Russian as something not only unusual but even uncanny. These qualities were indeed so alien from the usual national laxity that they could not but suggest a foreign origin. Their strange un-Russian capacity for continuous and organized action was more than anything else responsible for the ready acceptance of the legend that Lenin and Trotsky were disguised agents of Germany.

When Lenin arrived in Petrograd shortly after the commencement of the Revolution, those "delirious" speeches of his in which he announced, to the profound perplexity and consternation of the revolutionary democracy, that the world-wide Socialist revolution was at hand, not only spoiled his chances of general leadership, but isolated him even within his own party. Yet hated by the bourgeoisie, lacking the support of his own party, not understood even by his closest friends and oldest associates, Lenin won the victory, first over his own party and then over the Provisional Government. Without doubt one obvious cause of this tremendous success has to be sought in the events of the Revolution and in the mistakes made by Lenin's opponents. But the more the Revolution is studied, the more it becomes evident that it was Lenin's attitude to the problem of governmental power that gave him and his party the victory. Indeed, the Bolshevik attitude to power, their appetite for power, their steady undeviating advance to it, and their continuous exercise and successful

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retention of it, constituted the crucial and unpassable line of demarcation between the Bolsheviks and the other Socialist parties in Russia.

The Russian intellectuals had a pietistic abhorrence of power as a thing essentially evil, base and degrading. Controlling most of the instruments of real power from the very moment of the March Revolution, the Socialists were afraid, not only to assume the government, but even to have a share in it. Kerensky alone took the risk of entering the Provisional Government; but his decision aroused a storm of indignation among his fellow Socialists, who only forgave him when he put forward the theory that he took office as Minister of Justice, not in order to exercise power, but merely to secure the punishment of the enemies of the people—the leading members of the old regime. In accordance with this theory, Kerensky proclaimed himself “a hostage of Democracy in the First Provisional Government,” not a member of it. The few dramatic months of the Revolution from March to October, 1917, were, after all, nothing but a struggle for supremacy and political power between the masses and the bourgeoisie; and while the other Socialist parties trembled at the very idea that power might fall into their hands, the Bolsheviks were the only party of the Left which definitely and persistently fought for power. But this thirst for power was so contrary to the traditions of Russian

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political life that even the Bolshevik rank and file had time and again to be reassured by Lenin that the assumption of power was necessary and by no means wicked or degrading. On the very eve of the Bolshevik Revolution he issued a pamphlet in which he said: "I continue to believe that any political party—especially a party which represents a progressive class—would lose the right to exist, would be unworthy to be considered a party at all, would count for less than nothing, if it refused power when there was a chance of obtaining it."

This clash of opinion and divergence of attitude towards power was the main, if not the only cause, of the conflict between the Bolsheviks and the Russian intellectuals; it is no exaggeration to say that the Russian intellectuals not only hated but loathed the Bolsheviks for "sticking to power." The Bolsheviks were certainly not behindhand in reciprocating this hatred. They ridiculed the intellectuals as "too pure-minded to do the dirty work of the world" and only concerned with keeping their "robes unsullied"; and they actually persecuted them.

It will be seen, then, that the Communist Party was not only the first party in Russia to regard power as desirable but the first party to govern the country. The assumption of power by the Communist Party was the first manifestation—a distorted manifestation—of the new Russia which emerged from the war, the Russia of new impulses and instincts, and of the new

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will to live. The success of the Bolsheviks is due solely to their capacity for responding to this new spirit of action, of enterprise, and of acceptance of life. The Bolsheviks saw a new ruling class emerging in Russia and were astute enough to manœuvre themselves into the position of its leaders. To define in set terms this ruling class is impossible at this stage. The Bolsheviks, at any rate, were not anxious to give a very strict definition of the class in whose name they assumed the government. They proclaimed that "the toiling masses," whoever these may be, alone possessed political rights; they excluded "the exploiting elements," an equally vague class, from any exercise of such rights; and on this foundation they based a theory which permitted them to retain power exclusively in their hands. This theory depended on two assumptions: first, that the proletariat is the best organized and most self-conscious element of the toiling masses, and second, that the Communist Party is the advance-guard of the proletariat. By the aid of this fallacious syllogism the Bolsheviks were enabled to narrow the basis of the revolutionary government, which became vested in a junta called the Political Bureau and consisting of five members of the Central Committee of the party. The system evolved worked like an equation. The government of "the toiling masses" equals "the dictatorship of the proletariat," equals the dictatorship of the Communist Party, equals the Central Com-

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mittee of the party, equals the Political Bureau of the Central Committee.

So long as the Bolsheviks were expropriating the capitalists and landowners and promising to fulfil the Utopian dreams of the masses for social and economic equality, the dictatorship of the Communist Party was readily accepted by the working and peasant classes as their own dictatorship. But the more the country was plunged into poverty, and equality revealed itself as equality in misery only, the more, too, the masses, especially the peasants, became aware that the dictatorship was being exercised no longer in order to dislodge the old propertied classes, but with a view to establish in power a new minority, the urban proletariat, the more ready were the "toiling masses" to renew the struggle for a real and active part in the government.

This struggle was first and foremost a revolt of the peasants against the towns; but the masses in the towns also became restless, and opposition to the dictatorship of the Communist Party steadily increased in volume and intensity. What is still more striking, the Bolsheviks themselves began to experience the division and clash of opinion prevailing in the country. To follow the divergence of opinion among them is of real interest and importance; first, because this party is of necessity the only centre of political expression in the country, and also because the differences must be very marked to find expression in a

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group the leaders of which have from the very beginning refused to tolerate any independence of thought.

But before I say anything further on this matter I should like to explain what I mean when I use the term Communist Party. Many persons will, of course, still associate the term with the Russian Bolsheviks of the period from 1917 to 1920, or—which is still more misleading—with the Communist groups in England or any other European country. The Communist Party I am discussing is a different thing altogether: it is that governing party in Russia which suffered so remarkable a transformation in 1921. It may, after all, be no paradox to say that this party, yesterday the party of most extreme revolution, is to-day becoming, in a sense, a conservative party. This statement may be difficult to believe, especially as the phraseology used by the leaders has changed very little. But words generally retain their currency longer than the ideas they stand for; and, on the other hand, the more conservative the Bolsheviks become the readier they are to adhere to the revolutionary jargon. I personally am so convinced that there is an air of deliberate over-strain in their use of this jargon that when I read leading articles in their press proclaiming the primitive ardour of their revolutionary principles, I am sure that they are protesting too much, and that the party is probably preparing to make another step backwards. After all, this sort of duplicity

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is part of the ordinary stock-in-trade of the politician in every country; in Russia, with its fresh memories of "revolutionary frankness," and with the much wider gulf between proclamation and policy, this duplicity of necessity strikes a very strange note and is infinitely more misleading.

As far back as 1905 the Bolsheviks proclaimed themselves a party of "permanent revolution," and for several years they seemed to adhere to this doctrine of revolution without end. But the most thorough revolution against property is still a mere change of property rights; and from the Bolshevik point of view the Russian Revolution achieved its utmost ends the moment the landlord and the capitalist were expropriated. The change of property rights once made, the revolution is *ipso facto* at an end, whatever revolutionary energy may still be left unspent. The party of revolution becomes automatically the party of order.

The general fate of revolutionary parties is to appear in history first as victors and then as vanquished. But sometimes one of these parties meets with a different fate. Instead of being vanquished, it submits to transformation. The Russian Communist Party has gone this latter way: it has followed the way of adaptation and accommodation. If historical analogies are of any use, the present state of the Russian Revolution may be compared with the Thermidor or the Directory of the French.

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But these kinds of analogies are always dangerous as introducing elements which tend to obscure rather than to enlighten. Instead, then, of invoking analogies, let us look at the actual facts of the evolution of the Russian Revolution. To grasp them is to understand not only what is going on now but what may occur to-morrow.

The year 1920 was the year in which the "dictatorship of the proletariat" reached its culmination. The power of the Central Committee of the ruling party was absolute and complete. But at the end of the year—a year which will remain long in the memory of all Russians who lived through it, as the coldest, hungriest, and most dreadful year of the Revolution—the ruling party began to perceive the first signs of a challenge to their power. These signs came simultaneously from two quarters—from the town labourers, who made open demonstration against a situation in which, while they nominally ruled, they exercised no real power; and from the peasants, who in their hatred of requisitioning showed unmistakable symptoms of a disposition to pass from passive resistance to open revolt. The Communist Party, which, up to that time, had been enlarging the scope of its authority, was compelled to yield ground. First to the peasants and later to other groups of the population. But, though the pressure exercised by the peasants and workers was really the first step in the struggle for political power, the Communist Party

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contrived to dodge the political issue. They had to make concessions, of course; but all the concessions they have made for the last two years have been purely economic.

To dodge the political issue was at this stage not particularly difficult; for the economic problems were so acute that they completely dominated the public mind, which by this time seemed to be heartily sick of all revolutionary unrest. Even to-day the struggle for power has not yet acquired a frankly political character: it is still being fought out chiefly in the economic sphere. Most present-day visitors to Russia are struck by two remarkable facts; first, that the authority of the Soviet Government remains unchallenged, and second, that throughout the country political problems arouse no kind of interest. This state of things is doubtless due in part to the systematic suppression of all political movements by the dominant party and to its stubborn refusal to make any but economic concessions. Still, however obstinate and reckless this suppression of free thought may have been, it cannot be the sole explanation of the remarkable paralysis of political interest to which all impartial observers testify. The truth seems to be that, in a state of impoverishment and misery, people are bound to be preoccupied by thoughts of material improvement. In this state of the popular mind any government finds it easy to stifle political discussion by a readiness to remedy economic grievances.

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And yet it would be folly to deny that a very real political struggle is going on in Russia to-day. What obscures the situation is the fact that it has assumed a quite unusual character. In the country, certainly, political self-consciousness finds no clear expression; but, as I have already pointed out, the different shades of political outlook and interest in the country are, curiously enough, represented within the Communist Party itself. The very fact that this party is the only open forum involves as a necessary corollary the assumption that it must contain, if not opposing groups, at least different shades of mood, temperament and policy.

The history of the Communist Party for the last few years is, in fact, the story of a desperate struggle on the part of the Bolshevik leaders, who, to preserve unity, have expelled heretics by the thousand. In this way the "Labour Opposition," the "Workers' *Pravda*," and a few other recalcitrant groups were all "liquidated." Subjected to such periodical "cleansings" no wonder the party membership decreased from over 600,000 to 300,000 within a period of less than two years. Yet, despite this expulsion of open renegades and groups of opposition, despite the intimidation of suspects, the Communist Party manages to reflect in no small measure that clash of opinion which can find no vent in the country. The divergence of opinion and interest within the ranks is indeed so real that it has been suggested that this

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party is, strictly speaking, not a party at all but a coalition.

The social and economic differences in the groups that make up this coalition are at first difficult to detect; for they are disguised under strange and cloaked names. For instance, one group is called "the Communist Opposition"—a name which probably indicates that the group bearing it is opposed to the concessions made by the party to Capitalism. Another group styled the "Workers *Pravda*," consists mainly of trade unionists who are in revolt against the tutelage of the Central Committee. A third group representing liberal opinion supports what is called "Democratic Centralism." "The Economists" form yet another group, which comprises those members of the party who are in control of industry and trade. Their occupation has made a marked impression on "the Economists"; and to-day in all the councils of the party they support a policy very little different, if different at all, from that prevailing among the new bourgeoisie.

Besides these unaccustomed names, which seem purposely assumed with a view to screening the peculiar political leanings of the groups, there is another circumstance which tends to obscure the significance of these divisions. This is the necessity under which the leaders lie of making them appear less formidable by using the common and orthodox phraseology of the party. But despite all these disguises, those who have followed closely the career of the

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Communist Party are convinced that it contains at least three factions representing the three big divisions in the country—that of labour, that of the peasants, and that of “the Economists,” who in a certain sense represent the new bourgeoisie. These three factions continue to keep together first and foremost because, being factions still, they have not crystallized their opinions and accentuated their differences sufficiently to exist as rival parties. In other words, the forces that keep them together—a common history, common privileges, and a common danger—are stronger than those which might force them apart. The second consideration that operates against an open split is the fear of expulsion. The leaders of the party insist absolutely on unity and crush ruthlessly any attempt to raise differences. Moreover, the dangers involved in expulsion are so serious, amounting as they do to political extinction and to the concomitant loss of any leverage for exercising power, that it is little wonder that the party is still able to present a united front. The groups of opposition find it expedient to remain inside and to exercise such influence as they are able to wield from within. Certainly the more differences deepen the more rapidly will the inevitable crisis approach. A party divided in opinion and representing different interests cannot preserve its unity indefinitely by the force of discipline alone. In the end there will be open disagreement.

Obviously this cannot happen until the

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different classes of the population have become conscious of their various interests and are prepared to assert them in political action. That political opinion is slowly crystallizing in the country cannot be doubted. The peasants to-day are probably far more devoted to their interests, tenacious of their rights, and conscious of their wants than they have been in any other period of Russian history. Moreover, the urban labourers, represented though they are both in the Communist Party as the party of the proletariat, and in the trade unions, are eager to develop an independent organization of their own. Within the last two years a movement started in the factories called the Non-Partisan group has been steadily increasing its numbers and extending its influence. The Non-Partisans are not open opponents of the Bolsheviks; for they take part in the Soviets and recognize the Communist Party as the government. But when one notices how the Communists coquet with the Non-Partisans as a sensible and moderate opposition, one is justified, I think, in regarding this opposition as the nucleus of a future Labour Party.

The process of creating the new ruling class in Russia is a double process. On the one hand, a differentiation of opinion is taking place in the country, where new political parties are slowly germinating. On the other hand, the factions existing in the dominant party—the only centre of political activity and thought—will assuredly in the end furnish these parties

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with experienced leaders. When these two tendencies meet, the new ruling class of Russia will appear. But till this new ruling class is consolidated, till the new political groups are strong enough to grasp power, the Bolsheviks will continue to rule in the name of a united and unanimous Communist Party.

Yet the same forces which are creating the new spirit of political self-consciousness in the country and the differentiation of opinion inside and outside of the party must of necessity influence also the evolution of the party as a whole. And, indeed, it can be seen that the policy and the psychology of the Russian Communists are undergoing a genuine change. The Bolsheviks have patronized the workers, they have snubbed the intellectuals, they have tried to stampede the peasants, they have sought to intimidate the new bourgeoisie: and yet, by the necessary irony of circumstances and reaction, they have not escaped being affected and changed by the concerted influence of the very elements which they thought they could manage. As a matter of fact, all who come in contact with them to-day agree that the mentality of the Communists in 1923 is probably as different from their mentality in 1920, as their mentality in 1920 was different from that of the Kerensky Soviets. To-day the "dictatorship of the proletariat" is an obsolete phrase. Even as a figure of speech it has disappeared from Communist journals and platforms. Officially the

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government is now carried on, not in the name of that vague and illusory proletariat, but in that of the workers and peasants; while the aim of the government is not the immediate establishment of socialism but the reconstruction of the country on "realistic" lines—"realistic" signifying obviously capitalistic.

When Lenin inaugurated the dictatorship of the proletariat he was obviously unhampered by the slightest doubt as to the efficacy of Marxian principles. But the longer he tested them as a practical revolutionist and statesman, the more he became aware of the impossibility of building up a society on a mechanical and exclusively economic basis. When he had to adopt an agrarian policy totally at variance with his Marxian opinions, and when later he was compelled to make an appeal to the peasants' acquisitive instincts and to go back to what he styled "State Capitalism," he was not only conscious that something was wrong with his Marxian gospel, but frankly admitted that Marx had not foreseen all the realities of a complex situation. The greatest value of the Russian Revolution to the world labour movement lies in the fact that it has replaced Marxism by Leninism.

Every retardation of progress in Russia has sprung from the attempt to rule the country in opposition to the interests of the peasants. The Revolution was the manifestation of the peasants' awakening; and the dictatorship of the proletariat may be considered the last

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attempt of any Russian government to maintain power by preferring the interests of the industrial workers to those of the agricultural population. It was his recognition of the failure of this system and his insistence on establishing a balance between these clashing interests that constitutes Lenin's greatest achievement as a statesman; and it is the intense desire to preserve this balance which guarantees that the coming struggle for power will be less violent and convulsive than it would otherwise be.

CHAPTER III

THE DEATH AND APOTHEOSIS OF LENIN

THE acrimonious controversy in the Russian Communist ranks which aroused so much interest in the West in the winter of 1923 is by no means a new feature of Bolshevik politics. Despite its apparent and phenomenal unity the party led by Lenin has never since 1917 been really homogeneous. As a matter of fact it is fair to say that every big economic or political crisis that has occurred in Russia since the October Revolution has always been followed by a heated controversy and a threatened split in the Communist Party. But the moment the crisis becomes so acute as to endanger the prospects of the party the contending factions hasten to patch up their differences and to meet the situation with a united front. It can be stated with a large degree of historical accuracy that at the very beginning of Lenin's activities in Russia subsequent to the March Revolution the harmony supposed to prevail in the Bolshevik Party was in fact mainly based

on the surrender of the party to the leader's will. The fact that the Central Committee of the party and the editorial staff of the *Pravda*, the official organ of the party, disagreed at first with Lenin's identification of the Russian Revolution with the beginning of the World Proletarian Revolution is well known. It is also recognized that it was only Lenin's inflexible will that welded the party together for the Bolshevik attack of October, 1917. The closest associates of Lenin, such as Zinoviev, have even publicly confessed and repented of the lack of faith and enthusiasm which characterized their attitude at that time. They now acknowledge that they were only converted by the logic of events. These differences, however, were not fundamental or disruptive. Up to the time of the Brest-Litovsk peace it can fairly be said that no factions or groups had been formed inside the party. The first time that a cleavage arose in the ranks occurred indeed on the occasion of the signing of peace with Germany. At that time not only were different opinions freely and violently expressed among the Bolsheviks, but the dissentients actually organized themselves into an opposition, established a journal of their own called *The Communist* and formulated their programme. Thus was born the faction of the Left or Proletarian Communists, which opposed Lenin and the Central Committee as "the Right Wing infested by petit bourgeois sympathies."

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This episode is of considerable interest as throwing a very instructive light on the evolution of the Communist policy. It is notorious that in promulgating the New Economic Policy, Lenin claimed that he would have introduced it in 1918 had it not been for foreign intervention. The records of the quarrel of the Left Wing with the Right confirms this claim. The Left Communists accused Lenin and the Right Wing of an attempt to employ the respite given by the peace with Germany and the practical termination of the first acute period of the Civil War as an opportunity for establishing a compromise with the Imperialist powers and for making a rapprochement with Capital and the bourgeois elements. "There are two ways," said *The Communist* (April 20th, 1918), "of developing the proletarian party in Russia. One is to salvage and strengthen what is left of the Soviet State. . . . The other is not to safeguard the Soviet oasis in the North of Russia by compromises . . . but to pursue a determined class policy in both foreign and domestic affairs." The first of these alternatives, the policy favoured by Lenin, was stigmatized by the Left as leading inevitably to an ultimate surrender to the forces of Capital. The inevitable stages in this process are described in the following sentences: "In foreign policy," says *The Communist*, "the offensive tactics of revelation [i.e., of publishing the secret treaties deposited in the

archives] will be replaced by diplomatic manoeuvring on the part of the Russian State with the Imperialist powers. The Soviet Republic will not only enter into commercial relations with them, but will be organically connected with them, economically as well as politically. The economic policy of the State will accordingly gravitate towards a compromise with the capitalists, native as well as foreign, and with the rich peasants included in the co-operative movement, and as a logical corollary the banks will also be denationalized."

It has recently transpired that about this time Lenin was negotiating with leading Russian "captains of industry" with a view of organizing a mixed company for running the ten biggest metal factories in Russia on the lines of the present State trusts. These negotiations were bitterly attacked by *The Communist*. "Instead of proceeding from partial nationalization to wholesale socialization," said the Left Wing organ, "we witness negotiations taking place with 'captains of industry' for the creation of big trusts run by them which, while having an outward appearance of State control, will create a social basis for the evolution towards State Capitalism and will indeed furnish stepping-stones towards it. With this policy of running industry with the assistance and participation of capitalists there will go hand in hand a new Labour policy calculated to bring back discipline into the factories under the disguise of 'self-

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discipline.'” In its criticism of this policy of reconciliation *The Communist* goes on to predict that the Soviet State under this regime will inevitably revert to a mentality of “petit bourgeois” nationalism and to the enslaving of the working class.

In order to save the Soviet Republic from this appalling prospect *The Communist* appealed to the whole party to abandon the illusion that the Civil War was over and that the enemies of the proletariat were definitely destroyed. “The Russian Workers’ Revolution cannot ‘save itself,’” it said, “by leaving the revolutionary path, by avoiding a fight, or by permanent retreat before the onslaught of international capital and concessions to native capital. . . . No capitulation to the bourgeoisie but a running fight with them! Let there be a final suppression of counter-revolutionary newspapers and organizations! Conscript the specialists! Let consumers be organized in communes! Limit the consumption of food by the wealthy and confiscate the surplus! Organize in the villages the struggle between the poor and the rich peasants! Develop large scale agriculture and support transitory forms of communal tillage by the poorest peasants!”

As is well known Lenin employed all his talents for robust eloquence and ridicule in combating the demands of the Left, which was by no means an inconsiderable body, including as it did the leaders of the Petrograd

Committee of the party and several well-known Moscow Communists along with such prominent individual members as Bukharin, Radek, Ossinsky, Preobrajensky, Piatakov, and Madame Kollontei, now Soviet Minister to Norway. Lenin understood quite clearly that what he was at this time advocating was likely to arouse serious misgivings in the party. "I know very well," he said, "that my words cannot be popular to-day, and that they can be twisted so as to allow of the absurdest misinterpretation. There is a wide avenue open for reproach and malignancy. . . . I am reproached for my intention to introduce State Capitalism into Russia. If anybody could realize what State Capitalism would mean for Soviet Russia he would know, if he were not mad or had not filled his head with extracts from little pamphlets, that it would be the salvation of Russia." Incidentally Lenin sheds a very interesting light on the destructive phase of the Revolution. "It must not be forgotten," he remarked, "that Russia possesses a great mass of petit bourgeoisie [by which he meant small shopkeepers and pedlars] who are in sympathy with the smashing of the big bourgeoisie but refuse to submit to any form of organization or control. Their petit bourgeois cravings are very simply expressed: 'I took from the rich what I could; and about other people I don't care.' If this petit bourgeoisie could be organized under State Capitalism every worker ought to welcome

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such a thing; for even under the Kerensky democracy State Capitalism would be a step towards Socialism, while under the Soviet regime it would be three-quarters of Socialism."

Lenin reserved his greatest contempt, however, for the proposed conscription of specialists. "When I said," he stated, "that we had to learn from Capitalists how to organize the Socialist State the Left Communists were terribly indignant. Now, I repeat, we don't need to teach them, we need to learn from them. We Bolsheviks are right. We want to learn from the organizers of trusts; but the Left Communists propose to teach them. But what are you going to teach them? Is it Socialism? Do manufacturers and business men want to learn Socialism? If you like, teach them; but we are not going to help you in such a futile business. We have nothing to teach engineers, business men and manufacturers. . . . We are going to learn from them because we lack knowledge. We know well what Socialism means; but we don't know how to organize the production and distribution of goods for millions. The old Bolshevik leaders never taught us this. . . . It does not matter whether a man is a Socialist or an arch-scoundrel. If he knows how to organize a trust, if he is a manufacturer who can organize production and distribution of goods for millions and tens of millions, if he has this experience we have to learn from him. . . . Only the development of State Capitalism,

only the most rigorous accounting and control, only the severest discipline can lead to Socialism."

Again, incidentally, Lenin reveals the actual relations between the Government and the workers in the early months of the October Revolution. "Workers' delegations," he said, "used to come to me with complaints against the factory owners. I always said to them, 'You want your factory nationalized. Well and good! We have the decree ready and can sign it in a moment. But tell me. Can you take the organization into your own hands? Have you gone into matters? Do you know how and what you produce? And do you know the relations between your production and the Russian and International market?' And inevitably it transpired that they knew nothing. There was nothing written about such matters in the Bolshevik text books or even in those of the Mensheviks. . . ." The attack made by the Left on the proposal to re-introduce discipline into the factories Lenin met with characteristic vigour. "When people," he declared, "arrive at the point when they denounce factory discipline as reactionary, I consider it such a danger to the Revolution that I should think the Revolution doomed if I were not confident that the group which talks in this way possesses no influence with the workers."

Lenin's counter-attacks, vigorous as they were, seem not to have had the effect of con-

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ciliating the members of the Left, who made no secret of their determination to proceed to extremities if the respite gained by the Brest-Litovsk peace were to be used by the party in an attempt to relax the revolutionary impetus and to inaugurate a policy of reconciliation. The Left, indeed, were so determined to get their own way that, as Trotsky revealed lately, Bukharin was supposed to have been prepared to take the extreme step of arresting Lenin and his government and forming a Left Communist administration. But in the end the quarrel, serious as it was, was patched up in a most extraordinary way. By the party's sudden acceptance of the programme of the Left unanimity was re-established and the period of militant Communism inaugurated. It must be left to the biographers of Lenin and to the historians of the Revolution to settle how far Lenin was responsible for the betrayal of that policy of co-operation with the peasants which he had outlined in the spring of 1918. That the extreme Communists were the great culprits in this matter is, of course, beyond dispute. But, eager and light-hearted as they were in their attempts to nullify Lenin's efforts to reach a compromise with the Russian capitalists and thereby to salvage the remnants of Russian industries, they would probably never have succeeded but for that policy of intervention which attacked Russia from outside. Oddly enough they were justified in describing as a mere illusion the idea that the Civil War was over.

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At any rate the disputes in the Communist ranks seemed to be composed. The party became again, as the formula goes, "more unanimous than ever."

Unity indeed was most essential to the party at this time in view of the fresh outburst of civil war and intervention. But the unity so established was mainly the result of the necessity of pursuing common aims and of confronting common dangers, and so was enforced and external. This is shown by the fact that the moment the pressure of civil war was relaxed the differences arose again and the members of the Left Wing were again prominent in opposition.

In the autumn of 1920, the moment the Civil War and the war with Poland were over and Soviet Russia was again at peace, dissension broke out afresh. This time it arose formally in a discussion of the relationship of the Trade Unions to the State, and the question of the democratization of the party. But in retrospect it is obvious that it was the quarrel of 1918 renewed. Trotsky, who was at that time one of the leaders of the opposition, confesses as much in one of his recent articles in the *Pravda*. "Now that we have the opportunity," he said, "of looking back and of considering the discussion in the light of our present experience we see clearly that the question of trade unions and even of the workers' democracy did not matter. Through all these quarrels the grave illness of the party

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was manifesting itself, caused as it was by the too protracted period of militant Communism. The entire economic organism of the country was paralysed. Under the cover of a formal discussion of trade unionism and workers' democracy a search was being made for a new economic path. The real way out was disclosed in the decision to bring to an end requisitioning and the State monopoly of grain and in the gradual freeing of industry from the pressure of commissar rule. This historical decision was accepted unanimously, and so the discussion about trade unionism was concluded; more especially as the position of trade unions was transformed by the inauguration of the New Economic Policy."

Trotsky's analysis of the situation is accurate on the whole, save that he omits to mention the fact that in 1921, as in 1918, the unity of the party was assisted by the necessity of guarding against a common danger. The growing ferment in the Communist ranks was suddenly stopped by the outbreak of mutiny at Kronstadt; and Lenin seized the opportunity to make an appeal for unity and to introduce that series of reforms known as the New Economic Policy. This time the party accepted unanimously that programme of State Capitalism which Lenin had attempted to introduce in 1918 but had had to postpone on account of the Civil War. But some differences still remained. Trotsky himself indicates that one group among the dissentients, the so-called

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Labour Opposition, remained irreconcilable, and continued to endanger the unity of the party when all other factions had disappeared.

The relative tranquillity and prosperity which were the fruits of the New Economic Policy coincided with a period of unity in the Communist Party. But as soon as new economic difficulties broke out dissensions among the Bolsheviks again manifested themselves. Ever since 1921 the yearly conferences of the party have always been heralded by heated discussions on the platform and in the press, which demonstrate clearly enough that, whether officially recognized or not, factions actually exist. The debates that took place in the winter of 1923 revealed so plainly a division on party lines that even the most orthodox Communists were compelled to recognize facts. This latest dissension also arose out of an economic crisis, and was more violent than the previous ones in proportion as the economic crisis was more violent than its predecessors.

In a later chapter I shall take an opportunity of describing this particular crisis in detail. Here it is sufficient to say that it had a double aspect. On the one hand it was caused by the growing disparity between the price of manufactured goods and that of agricultural produce. On the other it was due to the catastrophic collapse of the Soviet rouble. Industry and trade were depressed because the peasants practically ceased to be buyers in the market,

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and because the State had not sufficient money to pay the workers. The consequence was an acute discontent among the workers which for the first time in Soviet Russia threatened the country with mass strikes. The unrest was aggravated by the fact that in Moscow alone thousands of University students were existing in a state of extreme poverty and disaffection.

The controversy started by an attack made by the dissentients on the bureaucratic perversity of the Central Committee of the Communist Party, which in spite of the promised democratization still remained centralized and autocratic. The Opposition then—to give the dissentients the name by which they are now known—demanded first of all that the militant enforcement of unity and discipline should be abandoned. They claimed that the lack of freedom to express opinion within the party tended to increase dissension, and that the suppression of discordant views and the expulsion of recalcitrant members only drove it underground. They protested against the tyranny of the party machine which continued to make all appointments despite the fact that previous congresses promised to abolish the practice of nomination and to reintroduce the principle of election. They pointed out that this fight with real or imaginary factions was a mere pretext for aggrandizing the importance of the party machine and extending the scope of its operations. Finally they objected to the domination of the life of the party by the

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Central Committee or rather by its two subcommittees, the Political Bureau and the Organizing Bureau, protesting that the abuse of nomination and the arbitrary transference of the members of the party from one appointment to another degraded the individual member to the level of a mere private soldier who has nothing to do save to obey. The state of feeling in the party can be gauged by an examination of some of the numerous articles and letters published in the Communist Press—in the *Pravda* and *Isvestia*—which opened their columns to a free discussion of the points at issue. “During the last year,” wrote a provincial member in the *Pravda*, “the conservatism of the committees has increased. In some committees the idea of elections has been entirely given up and the constitution of the party is being flouted. . . . The minutes of the committees consist of nothing but orders. . . . The way in which the committees are being transformed into bureaucratic departments controlled by a lot of unnecessary officials is simply deplorable. . . . A Communist must now regard his local committee no longer as the centre of his political life, but as an institution which, on the one hand, may supply him with a position and help him in his career, or, on the other, may punish him, or expel him from the party.” The domination of the machine had thus induced in the members an attitude of passivity. They avoided as far as possible attendance at party meetings; and

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when they came they said nothing. But this passivity was only superficial. "After the meetings and conferences are over," said the writer just quoted, "these same passive members get together in little groups and criticize and discuss matters quite freely." "The danger of open discussion," declared another writer in the same issue of the *Pravda*, "is not that the rank and file will talk too much, but that they will engage in a conspiracy of silence." He went on to state that every member of the party was "so perplexed by doubts and questions that he was afraid to admit their existence even to himself."

This latest controversy in the party, though originating in the main from the usual economic crisis, was unique in one respect, that, whereas on former occasions the disputes in the party divided it into different groups fighting one another, this time they constituted a revolt of the rank and file against the leaders, of the younger members against the old guard. This explains why all the discontented elements in the party now became united as the so-called "Opposition."

Trotsky, though he had been a member of the Central Committee and of its innermost council, the Political Bureau, ever since the Revolution, became, nevertheless, the leader of this opposition. His leadership at once gave the controversy piquancy and importance. It has to be remembered that Trotsky, though a revolutionist of some standing, never belonged

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to the old guard of the Bolshevik Party. As a matter of fact, he formally joined the party only when he returned to Russia in 1917, and after he had made an abortive effort to reconcile the Mensheviks and the Bolsheviks. His extraordinary abilities for organization and his services rendered to the Revolution compelled the old guard to admit him to the inner councils of the party. But his personal relations with his more prominent colleagues have never been completely unreserved; for his attitude of detachment, which his critics represent as pride and hauteur, make it only too easy for his opponents to involve him in a certain atmosphere of isolation. His unpopularity with his colleagues has enhanced his popularity with the masses, more particularly with the army and with youth in general. Never was his popularity so great as when in the December of last year he wrote that famous open letter to the members of the party in which he warned the leaders of the danger of ossification and of the necessity of introducing new blood. "The transformation of 'the old guard,'" he said, "is a phenomenon that history has recorded more than once. Take the more recent and remarkable case, that of the leaders of the Second International. We all know that Wilhelm Liebknecht, Bebel, Singer, Victor Adler, Kautsky, Bernstein, Lafargue, Guesde and many others were the direct and immediate disciples of Marx and Engels. Yet we know that in the environment of Parliamentary dis-

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cussion and in the growth of the party machine all these leaders, some completely, others partially, became transformed. We remember that on the eve of the imperialistic war the powerful German Social Democratic machine, which had been guided by the authority of the older generation, became the greatest brake on revolutionary development. And we, the older men, must admit that while our generation naturally plays the leading rôle in the party, there is no real guarantee against our gradually losing the revolutionary spirit. . . . The only way of meeting this danger is to make a serious, thorough and radical change in the direction of the democratization of the party, and to bring into the party an influx of factory workers and youth."

Trotsky at this time was incapacitated by illness from taking part in the debates of the party, and wrote this letter as a substitute for a speech. It was at once hailed as a clarion call by the younger generation and as a *casus belli* by the old guard. The Opposition had now secured the advantage of obtaining a popular leader, and started their campaign with a remarkable initial success. At first they would obviously have been satisfied with some recognition of the necessity for making certain democratic reforms. But their success emboldened them to attack personally the more offensive bureaucrats of the party, and even to put up candidates at the coming election of party chiefs. When it became obvious that an

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organized fight against the existing party administration was being prepared, the old guard put all its forces into the field. And then a remarkable circumstance took place which settled the business. The Opposition seemed to be carrying everything before them. Their meetings were enthusiastic and their popularity among students, the Red Army and the younger generation generally was unmistakable. But the old guard put such tremendous energy into their electioneering campaign among the factory workers that these eventually constituted a solid block in their favour. And so in the Communist Conference which was summoned to elect the new committees in January, 1924, the Central Committee secured an easy victory.

The Opposition was defeated and faction was once more stamped out in the Communist Party. But it would be a mistake to believe that this victory was won mainly by the energy and eloquence of the old guard. The Opposition was popular enough so long as the economic crisis of which it was symptomatic was severe. The three or four months in which the Opposition was gaining ground coincided with the period in which the Soviet rouble was in its agony. The permanent and catastrophic fall of paper money affected the life of everybody in the country. Now it was always the policy of the Government to see that the workers suffered least from this inflation. But in the winter of 1923-24 no art of "calculation" and "correction" could cope

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with the increasing difficulties caused by the hourly fall of the rouble. But when in January, 1924, the Government definitely determined to take the risk of attempting to stabilize the currency, this decision produced an immediate effect on the mind of the workers, to whom they were now able to make a confident appeal.

My account of the crisis which took place in the Communist Party in the winter of 1923-24, short as it is, describes, I think, the chief phases of this remarkable dispute. But it would be incomplete without a mention of a special circumstance which increased the unrest prevailing in Russia in the autumn of last year. Connected as it was with the symptoms of an imminent revolutionary outbreak in Germany, it throws a very striking light on the spirit of Communist Russia. In November, 1923, all signs seemed to point to the spread of the Communist revolt from Saxony to other parts of Germany. This circumstance put the Russian Communists in a very awkward dilemma. As a party committed to World Revolution they were bound, of course, to support this revolt by all means in their power. But the Communists run the government of the country, and as a government they obviously had no reason to welcome and could not benefit by the occurrence of a revolution in Germany. My contention that these events in Germany had their reactions on the controversy in the Russian Communist Party is indirectly con-

firmed by Trotsky, who writing at the time in the *Pravda* has to confess that "the approach of events in Germany caused a flutter in the party." Obviously there was in Russia at this time a sort of conflict between the Third International and the Bolshevik Government. We know at any rate that no whole-hearted support was given to the German Communists by their Russian comrades. On such a question as the support of revolution in Germany there could obviously have been no possibility of disagreement in the Communist Party a few years earlier.

But in the autumn of 1923 discord was so rife that it not only modified the World Revolutionary policy of the party, but endangered its unity. Happily for the integrity of the party the Communists were not put to too severe a test. The revolutionary outbreak in Germany was soon crushed; and consequently the question of supporting or of not supporting the insurgents ceased to divide the Russian Communists. Now that the prospect of the outbreak of revolution in Europe seems to be most unlikely, as everyone in Russia will admit, the probability of any breach on that point between the Russian State and the Third International is also very slight. But the other causes, which ever since 1918 have been always active in promoting dissension, are still alive. Yet the prospect of the party breaking up through dissension seems to me remote; at least it calls for no consideration at the moment. Common

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sense dictates a policy of union and concentration in spite of lack of complete harmony. The final dissolution of this conglomeration of varied interests and opinions cannot take place until the different classes of the population represented within the party become conscious of the clash of these interests and are ready to risk the consequences of an open breach. That events are moving in this direction seems incontrovertible. In any case, the fact that the Central Committee has already yielded to the pressure from the rank and file so far as to make a solemn promise to replace a militarist by a democratic organization of the party is a proof both of a growth of political consciousness and of a determination to express it. The survival of the party after Lenin's death seems to show this much, at any rate, that the forces working for unity are far more powerful than those favouring disintegration.

Lenin stood so pre-eminently for the Revolution and for the Soviet Government that the speedy and complete termination of the Bolshevik dominion after his death had been regarded in the West as axiomatic. His colleagues were expected, if not to destroy themselves in a quarrel for his inheritance, at least to prove utterly incompetent to run the machine of government without him. Indeed the acrimonious disputes in the party which arose in the last months of his life were proclaimed the beginning of the eventual dissolution of the regime. When in the full flood of

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this party controversy the news of Lenin's death suddenly burst upon the world everyone, at least outside Russia, thought that the downfall of the Soviet system was imminent.

Yet it was the unexpected that happened. The first and most immediate effect of the death of Lenin was to close completely the controversy in the Bolshevik ranks. The next and by far the most important consequence was the tremendous impression it created in the country. The overwhelming sense of loss which the Russian people so openly demonstrated came as a revelation. No crowned king, no chosen leader could have aroused a more popular and immediate outburst of affection.

To the Bolsheviks the scenes which arose around Lenin's grave came as a welcome sign of an actual bond between their leader and the people. The tribute paid to Lenin's memory seemed to have all the effect of a sanction of his life-work and of the new regime. It was a kind of post-mortem vote of confidence. Lenin's death indeed strengthened their own sense of the legitimacy of their position and actually consolidated their authority as a government. But at this point the Bolsheviks made the strange mistake of investing this vote of confidence with a certain mystical element. Already when Lenin was still alive, in the later months of his fatal illness, his closest political associates attempted to strengthen their position by creating the cult of Leninism, a doctrine

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which no orthodox Communist had a right to challenge. In their eagerness to seize a weapon against all possible dissentients the members of the Central Committee even abused the popular enthusiasm aroused by Lenin's death. They attempted to canonize Lenin's teaching and life-work. Warnings directed against this conversion of a creative legend into traditional ikon-worship were not wanting. Radek, one of the most enthusiastic disciples of Lenin, protested against what he called "the hysterical estimate of Lenin's historical rôle" and denounced the official cult of Leninism as "political priestcraft." Trotsky too made a decided stand against degrading Leninism into a blind following in the steps of the commentators. "Rightly understood," he declared, "Leninism is a method requiring initiative, critical thought and courage. . . . It is impossible to cut Lenin out into quotations which shall be useful for all actual emergencies. To Lenin a formula was never removed from realities; it was always a weapon, an instrument to use for getting at realities. Lenin was war-like from head to foot; and war cannot be carried on without craft and stratagem and deception of the enemy. A victorious war-cunning was a necessary element of Lenin's policy. At the same time, as regards his own class and party, Leninism is the highest revolutionary honesty. No fictions, no soap-bubbles, no deception!" As a matter of fact, however, the idea of crystallizing Lenin's teachings into

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a canon and a tradition had a practical purpose. It was inspired by party politics and was meant to be used as a weapon against all dissentients, its immediate object being, of course, to crush such temperamental members of the Opposition as Radek and Trotsky themselves. Leninism, indeed, has now been erected into the official cult and takes many forms. All criticism of it is taboo; but as so often happens in cases of this kind, the greater the attempt made to give it a canon and a ritual the less becomes its efficacy and spiritual power; in the effort to preserve the letter of the gospel the spirit is being lost.

But, despite all the mistakes which the Bolshevik leaders have made and are likely to make in this respect, the substantial benefit which they have derived from Lenin's apotheosis is their recognition as the Government by the majority of the Russian people. Three years ago the Soviet Government owed its existence to the fact that no alternative government was possible. The situation which has arisen in Russia to-day is one in which no alternative government is looked for. This popular sanction probably accounts in part for the new confidence with which the Soviet Government has been speaking for the last few months.

CHAPTER IV

THE LEADERSHIP OF THE COMMUNIST PARTY AFTER LENIN'S DEATH

“WE have plenty of able and experienced men in the Communist Party,” said a prominent Bolshevik recently. “But now that Lenin, who was the founder and for twenty years the natural leader of the party, is gone it would be preposterous to make any one of his disciples his successor. The post of leader is vacant; and we have no intention of filling it up.” This declaration represents, I think, the opinion generally prevailing in the inner circles of the Bolshevik Party. But whether it lays more stress on the reverence due to the dead leader or on the inferiority of his living disciples I should not like to say. In any case it explains the reluctance of the Bolsheviks to appoint any one of his lieutenants to the position which Lenin held for so long.

The moment Lenin became ill his closest associates decided that the power he had wielded as Chairman of the Central Committee of the party could not safely be entrusted to any single member, but must be put into a

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commission of three. This was the origin of the so-called "triumvirate" consisting in Zinoviev, Kamenev and Stalin. The absence from this commission of the name of Trotsky, who by common consent is the most outstanding figure in the Bolshevik Party to-day, was so significant that it gave rise at once to the suspicion that the triumvirate was only constituted as an alternative to conferring the leadership on the Commissar for War. How far the creation of the triumvirate was actually intended as a rebuff to Trotsky no one outside the inner circles of the party can, of course, pretend to say. But the very exclusion of Trotsky has probably helped to make him a more conspicuous figure; and his partial isolation of to-day may prove to be the way by which he ultimately arrives at power. In any case it can safely be said that Trotsky is to-day far the most popular of all the leaders of the Russian Communist Party. The peculiar organization of this party, the scanty information obtainable about its leaders, the absolute control which it exercises over the machinery of State, and the undefined relationship between the State and the Third International on the one hand and between leaders of the party and the rank and file on the other, have so confused Western observers and have given rise to so many fantastic stories, that an attempt to describe the constitution and personnel of the party seems to require no justification.

The Russian Communist Party is ruled by a

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Central Committee of sixty members elected at the annual congress. But this Central Committee only meets once in three months; so that it has to delegate its powers to three sub-committees which are in permanent session, the Political Bureau, the Organizing Bureau and the Control Commission. The Political Bureau contains seven members, who supervise the political line of action of the party. The Organizing Bureau consists in three members, Stalin, Tomsky and Kuybyshev, who are responsible for all the official appointments made in the party and, inasmuch as the party is in control of the State, of at least the more important appointments in the Government. The (Central) Control Commission is a kind of party tribunal which acts as censor of the party. To this body and its local branches is committed the supervision of the political and moral behaviour of members; and it is the Control Commission which conducts the periodical "cleansings." The party, then, is run by three closely associated bodies which between them decide its policy, control its personnel and keep watch over the political and moral rectitude of members. The most important of these sub-committees is naturally the Political Bureau, which always had Lenin as its Chairman and which to-day comprises Zinoviev, Kamenev, Stalin, Trotsky, Tomsky, Rykov and Bukharin. The business of the Political Bureau may be gathered from its name: it settles the political complexion of the

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party, and through its secretariat keeps a most thorough control over all its workings and groupings. The functions of both the Political Bureau and of the Organizing Bureau were slowly evolved in the first two years of the Bolshevik regime. But the Control Commission was established later, in 1920, when it became evident that Communists in important positions were becoming involved in actions that compromised their political principles. At first a Communist convicted of taking bribes, of drunkenness, or of misuse of power would be summarily shot. But when the promulgation of the New Economic Policy greatly increased the number of Communists who were actively concerned in the management of trade and industry, and so put additional temptations in their way, the earlier method of summary discipline was abandoned in favour of a judgment pronounced in the party court, the Control Commission. The first act of this unique commission was to require all members of the party to apply for re-registration. Every one of its 600,000 members had therefore to submit to an investigation before he was readmitted to the party. In this way more than 250,000 members considered to be of the arrivist and careerist type lost their party ticket in 1921. Since then the watch kept by the Control Commission and the periodical cleansings of the party have been considered the surest way of countering the changed psychology and outlook of members. But the transformation

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of psychology effected by the new conditions of life brought about by the reintroduction of trade and the handling of money eventually became too formidable to be dealt with by the primitive expedients of censure and expulsion. Confronted by the fact that the proletarian character of the party was being seriously affected by the growing spirit of commercialism, and wishing for tactical reasons to make good the losses which the party had suffered from expulsions during the previous three years, the leaders finally resolved in the spring of 1924 to strengthen it by introducing shoals of new members—all genuinely belonging to the working class. This step was only decided upon just before Lenin's death; and subsequently as many as 200,000 factory operatives were added to the party under the name of "Lenin's recruits." The influx of these new members is bound greatly to influence the character and policy of the Bolshevik Party; for, though it has been led by intellectuals, it has always been a more homogeneous working-class party than any of the rival Socialist groups. But ever since 1917 the working-class character of the party had been declining. In 1920 hardly 30 per cent. of the members were workers; and even of this 30 per cent. only the minority were real operatives.

The Russian working class of this time has rightly been described as *déclassé*. This loss of proletarian character and vocation must be attributed to the simultaneous operation of

three causes—the attraction of the villages, the closing down of the factories, and the absorption of the more intelligent and energetic of the workers into clerical, military and administrative life. The building up of the new bureaucracy and the creation of the new army both took a heavy toll of the more efficient members of the proletariat. To do them justice the leaders of the party were never blind to the danger of the change of psychology involved in this change of occupation. They insisted on the party's retaining its predominantly working-class character; and they were perfectly aware that this could only be guaranteed by increasing the number of manual workers. Lenin's death was an additional reason for making a bid for increased working-class support. The bringing about of the actual increase was easy enough; for the Bolshevik Party has always had on probation a long list of candidates. That the majority of these candidates were manual workers is obvious from the fact that with the development of the New Economic Policy another concentration of labour in the towns set in. The addition of these new members has now raised the proletarian strength of the party to over 50 per cent. Whether the older members of the party will be able to assimilate their new comrades, or whether these new working-class members, with their exaggerated revolutionary expectations, are destined to drag the party on to new lines, remains to be seen.

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This new method of swamping the party with "the faithful" instead of cleansing it from "the infidels" is, of course, bound to lessen the importance of the Control Commission. In fact it is quite likely that this particular sub-committee may eventually disappear. In the same way the Organizing Committee, which dominated the party during the militant period, when the domicile and movements of practically every member depended on its decisions, must tend to become more and more inoperative. The controversy of last year, which attacked its activities as a flagrant contradiction of the promise to democratize the party, and the insistence by the Opposition on all party appointments being settled by election instead of nomination will probably render this body more and more obsolescent. On the other hand the Political Bureau seems to be increasing its activities and power. At the last Congress the membership of the Central Committee was increased from thirty to sixty. Now, even when the Central Committee had only thirty members, it was obliged to devolve most of its powers on its sub-committee. Obviously, then, this doubling of the membership will have the effect of aggrandizing still more the importance of the Political Bureau.

The names of many of the members of this bureau are widely known; but it may be still useful to give here a short sketch of their mutual relations and of their various political complexion. The Political Bureau contains

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seven members only; but small as is its composition it is probably not entirely homogeneous. At any rate Zinoviev, Kamenev and Stalin are generally regarded as forming a group of their own; while the more or less isolated position of Trotsky is scarcely a secret.

For years Zinoviev was considered the most faithful of all Lenin's lieutenants. Ten years younger than his chief, he shared his exile in Switzerland, and for the ten years previous to the war participated in his literary and political work. But though he was regarded as a good speaker and as an accomplished party journalist, Zinoviev was little known in Russia before he arrived in Petrograd in 1917. "Zinoviev," says Lunacharsky in his work "The October Revolution," "was always a devoted armour-bearer to Lenin and followed him everywhere. The Mensheviks had always a poor opinion of him and looked on him as nothing but Lenin's armour-bearer. This attitude of the Mensheviks has perhaps infected some of us. We were aware that Zinoviev was an excellent worker in the cause; but as a political thinker he was very little known to us. Indeed, we used to say jokingly that Zinoviev followed Lenin as a thread follows the needle." This judgment of Zinoviev was written in 1918 and refers, of course, to his pre-revolutionary record. Of the wisdom of his political counsels after 1918 Lunacharsky seems to have no doubts. "Zinoviev," he

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says, "is undoubtedly one of the born counsellors of our Central Committee. I don't hesitate to say that he is one of the four or five men who are the chief political brains of the party." Be this as it may, it is only fair to say that ever since Lenin and Zinoviev arrived in Russia in 1917 the latter was always regarded as the mere echo of the former; and indeed up to the time of the October Revolution, which, strangely enough, he opposed as too rash an undertaking, not a single instance occurred in which the disciple differed from the master.

It was not, indeed, till he became President of the Third International in 1919 that Zinoviev acquired a political position of his own. In this capacity he has acquired a world-wide reputation as the extremest of revolutionists, and has contrived by his arrogance to offend most of the Socialist leaders in nearly every European country. Zinoviev, like Stalin, has never been a member of the Soviet Government. His official position is that of Chairman of the Petrograd Soviet, a municipal position formerly equivalent to that of an English mayor. But the power now vested in the Chairman of a town Soviet is more like that of a Governor in Tzarist times. Especially is this so in Petrograd where Zinoviev wields the powers almost of a Viceroy. Zinoviev's position in the party to-day can be gathered from the fact that it was he who was entrusted at the last Congress of the party

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with the reading of the annual political report, a function which in all previous congresses had been discharged by Lenin. It has often been suggested that Zinoviev is the leading member of the Left intransigents, that he has never been reconciled to the new course of the party, and that he is only waiting for the chance to lead it back to pure Communism. The only evidence, however, brought in support of this contention is the revolutionary jargon which Zinoviev employs. As a matter of fact, the phraseology he uses has undergone very little alteration. But in this respect the leader of the Third International is not peculiar. All the leaders of the Bolshevik Party, even those whose reputation as Moderates has been firmly established, indulge freely in this habit of using a spicy revolutionary rhetoric. Doubtless Zinoviev has more occasion for his outbursts than other leaders and a wider audience. His speeches, indeed, are generally so long, his topics so various and his appeal so purely demagogic, that almost every shade of political opinion is reflected in them. Usually it is the violent revolutionary Zinoviev that is reported, the Hyde rather than the Jekyll. The moderate and sensible portions of his utterances are generally cut. But in any case if there are still a few extremists in the Russian Communist Party who look longingly back to the old days when militant Communism ruled supreme, I don't think Zinoviev can be regarded as their leader. If I am not mis-

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taken, Zinoviev is mainly responsible for the presentation of Leninism as a rigid and sacrosanct doctrine. At any rate he is conspicuous in his solemn protestations against any revision "Right or Left" of the teachings of the master. To me, indeed, Zinoviev's speeches seem to reflect less of his real opinions than of his desire to play up to his reputation as a demagogue. The use of exaggerated language has, after all, always been a national characteristic of Russians. Moreover, the revolutionary jargon has become, as it were, nationalized. The disuse of it would have a chilling effect both on the Bolshevik leaders themselves and on their audiences. But it must also be remembered that the persons who use this rhetoric have all their lives been agitators and remain in the main agitators still. What they look to both in their speeches on the platform and their articles in the press is the effect their utterances may have on their own following. The reverberation which the use of this extravagant revolutionary vocabulary may produce abroad concerns them very little.

Zinoviev is pre-eminently a politician, a demagogue and a wire-puller. Kamenev, his closest associate in the Political Bureau, is more of a business man, with the mentality of an administrator. A journalist by profession, he has been connected with Lenin and Zinoviev since 1908 as a colleague in the Central Committee of the party and as co-editor of the party organs. Like many other Bolshevik leaders, he

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has spent many years in prison and exile. In 1917, through the outbreak of the Revolution, he was released from exile in Siberia where he had been sent in 1914, together with the five Bolshevik members of the Duma, for adopting the Central Committee's declaration against the war. He returned to Petrograd a few weeks before Lenin and as the editor of the *Pravda*, the official organ of the Communist Party, he opposed Lenin's identification of the Russian Revolution with the inauguration of World Socialist Revolution. Subsequently, however, Kamenev adopted Lenin's policy in its entirety and became its untiring and recognized popularizer. He has contributed, however, nothing of his own to Bolshevik theory or policy. Twice only, and on each occasion but for a short time, did he oppose Lenin. The first occasion took place in October, 1917, when he refused to support the armed rising of the Bolsheviks. The second occurred in 1918, when he joined those members of the party who attacked Lenin's policy of peace with Germany. Kamenev's official position is that of Chairman of the Moscow Soviet, a position analogous to that of Zinoviev at Petrograd but carrying less power by reason of the fact that Moscow is the seat of the Central Government. Kamenev was and remains one of the most active supporters of the New Economic Policy. He is a very pleasant, quiet, well-educated man; and if I add that in a certain sense he may be said to neutralize the political influence and

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aggressive personality of Zinoviev I have said practically all that is to be said about him.

The remaining member of "the Big Three" is Stalin, who is reputed to be the real instigator of policy. He is regarded as the most powerful member of the Political Bureau, an idea due probably to his taciturnity. He lives a very secluded life, rarely making public speeches and never submitting to the interviewer. From all one hears of him, he appears to be a very narrow-minded man, lacking entirely Lenin's faculty of evolving theories; but he seems to resemble the leader in his attachment to realities and in his recognition of facts. His practical Eastern mind (Stalin is a Georgian) will never let a regard for doctrine or for prestige deter him from doing what he deems a necessity. He regards himself as the executor of Lenin's will and represents, as it were, the machine of the party, the main concern of which is to maintain and to enforce unity by the severest disciplinary measures. In the party controversy of last year he expressed his frank contempt for the clamour about "democratization."

The man who seemed to possess the greatest claim to step into Lenin's shoes was of course Trotsky. For years Trotsky's name has been associated with Lenin's as if the two men were on a plane of equality. Moreover, Trotsky's achievements are undeniable and palpable. It was he who organized and carried to a success-

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full conclusion that armed rising of the Bolsheviks which established them in power. It was he who by sheer will-power and the knack of managing men created the new Russian Army, an army which many military authorities regard as superior to the Tzarist Army both in organization and discipline. As Minister for War Trotsky had to work with those most embittered enemies of Bolshevism, the ex-Tzarist officers; and it says much both for his tact and for his high sense of duty that he succeeded in gaining not only their co-operation but their confidence. Certainly Trotsky lacks that harmonious balance of will-power and of intellect which constituted Lenin's strength. His greatest disqualification for leadership is indeed his faculty for concentrating all his energies on a single idea, which he is prepared to follow to its logical end. He knows no half measures. Indeed he carried his concentration on the idea of militarization to such a pitch that he actually considered the complete conscription of labour a practicable scheme.

A very illuminating anecdote has been preserved concerning his first appearance on the political scene. Arriving in London in 1903 straight from Siberia, where he had been serving his first term of imprisonment for a political offence, this young man of twenty-one put in a sensational appearance at the conference of Russian Social Democrats, where to the dismay of the older members he fluttered the

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dovecotes unmercifully by his eloquence, his self-confidence and his contempt for age and standing in the party. He and the veteran Plekhanov had an acute passage of arms; and the honours went to the younger man. It was on this occasion that Vera Zaslitch hailed Trotsky as a genius, an appreciation which Plekhanov resented so bitterly that he is said to have sworn, "I'll never forgive him for being one!" This vow of Plekhanov's is probably a sheer invention; but the anecdote gives some idea of the different impressions which Trotsky makes on different persons.

Even to-day his superiority and his consciousness of it make him enemies; and his present isolation is probably due as much to this cause as to his cool detachment and lack of cordiality. In fact even those who like and admire Trotsky admit that his combination of sarcasm, barbed wit, imperiousness and intolerance prevent him from being a very pleasant companion. Trotsky, indeed, has but a scanty sense of humour and seems not to know how to relax. He is always stern, serious, alert. He suffers from a seeming inability to be simple, attentive and friendly. For all that, his temperament as a tribune and his exceptional talent as a speaker—he is considered one of the finest orators in Europe—have won for him a very tender place in the heart of the masses, especially of the young. The indomitable energy which he displayed during the First Revolution and the

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heroic fashion in which he subsequently comported himself after arrest made him the idol of youth in 1905; and to-day he has lost none of his old appeal.

Indeed, taken on a balance of his qualities and defects, he still remains the biggest man in the Bolshevik Party. He is not only the most conspicuous from the point of view of intellect, but he has shown himself to be a real statesman and a first-class administrator. He has the reputation of being an extremist, and the stand he recently made against the Central Committee has been interpreted as a proof of his opposition to the Communist compromise with Capital. But he himself gives an emphatic repudiation to this idea and declares that he was one of the earliest to propose the measures which were afterwards embodied in the New Economic Policy. In proof of this contention he has recently published the report which he made to the Central Committee in February, 1920. This document reveals the fact that at that time he advocated the abolition of requisitioning and the replacement of this system by a tax on grain. "The present policy of requisitioning," he declared, "is leading to a decline in agriculture and threatens definitely to undermine the economic life of the country." As a remedy Trotsky proposed to introduce a kind of income tax "with a view to encouraging the increase of the area under cultivation and a more intensive agriculture."

Discussion of the oft-raised question whether

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one or other of the Bolshevik leaders is "Right" or "Left" is always rendered difficult by the fact that everything is made to turn on the jargon the man employs. But, as a matter of fact, the language a man uses is often as much an expression of the violence of his temperament as of the extremism of his opinions. If, then, we could examine in the light of this fact the concrete proposals which the respective Bolshevik leaders have put forward at various times, we should probably find little difficulty in placing them in categories. But the enforced unity that prevails in the party renders this very difficult. That the leaders differ considerably in the matter of the application of policy, and that they represent various interests, there is abundant evidence. But the attempt to divide them into "Right" and "Left" is purely mechanical and uncritical and explains very little. If, however, Trotsky must be put into one of these two categories I should unhesitatingly place him in that of the Right. Indeed, during the last controversy, he was accused by the old guard not of occupying any Left or advanced position as regards Leninism but of representing the Right Wing or nearly Menshevik views. To combat this accusation Trotsky has written several pamphlets on the spirit of Leninism from which I have already made one or two quotations. One further extract I must take, dealing with Trotsky's own personal attitude towards Lenin and

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Leninism. "Leninism," says Trotsky, "is orthodox, stubborn and unbending; but there is not a trace of formalism, canon or cliché in it. To endeavour to elevate the Lenin tradition into a super-guarantee that all the ideas and all the dicta of its interpreters are indisputable and infallible is a mockery. The attempt to hypnotize a great revolutionary party by repeating a series of acts of exorcism is ridiculous and pitiful; as ridiculous and as pitiful as it is to look up a speaker's record instead of settling a question on its merits. If I am compelled to descend to this level I may say that I don't consider my way of approach to Leninism less reliable than other ways. I began by fighting Lenin; but I ended by joining him finally and completely. I can give no other guarantee [of loyalty] than my actions in the service of the party. But if it is found necessary to make biographical investigations, let it be done thoroughly. Then some very awkward questions will have to be answered. 'Were all those who were true to the Master in small things true in big things?' 'Is obedience in the presence of the Master a guarantee of obedience in his absence?' 'Is obedience the full measure and expression of Leninism?'" Whether, however, his exposition of Leninism is correct or incorrect, the fact that Trotsky enjoys to-day an enhanced popularity among his countrymen, despite the defeat of the Opposition, seems to show that he is by no means a spent force in

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Russian politics, and that his chance may come later.

The fifth member of the Political Bureau, Tomsy, is better known as the President of the Council of the Russian Trade Unions. A simple working man, he possesses real ability and shrewdness. He belongs to the old guard of Bolshevism, and has been an active revolutionist since his youth. On the outbreak of the October Revolution he at once became the organizer and spokesman of the Trade Unions; and for several years Lenin managed to keep them faithful to the Communist cause, mainly owing to the untiring loyalty of Tomsy, who only opposed the Master on one question, the question of single management in the factories. For the rest it may be said that Tomsy is a level-headed commonsense person, with no political tricks.

Of the members of the Political Bureau Bukharin is the one pure intellectual. He is not a working man, and he has had no administrative experience. Younger than any of his colleagues, he spent his pre-revolutionary years in study, in revolutionary propaganda, in prison, and in exile. Bukharin is the author of "The Economics of the Transition Period," an attempt to show how the nationalization tactics of the Communist Party in industry, agriculture and trade, create a transition towards Communism. In the Master's lifetime he was always jokingly alluded to as heir to Lenin, who never failed to express public

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admiration for his ability and courage as a theorist. But whenever Bukharin, as the leader of the so-called Left Wing of the Communist Party, propounded a policy of his own Lenin never hesitated to attack him unmercifully. Bukharin has probably neither the ambition of the leader nor the qualities of a statesman. His dual rôle as a purist in theory and as a keen fighter have created for him outside Russia the reputation of being the extremist among the Communist leaders. He is pre-eminently a party man; for he is an old Communist journalist and has been a member of the Executive of the Third International since its foundation.

Rykov, on the other hand, is pre-eminently the administrator and statesman of the Political Bureau. Though he is a member of some standing in the Bolshevik Party, he cannot really be included among the old guard. He has always been too busy with affairs of State to have much time to devote to party activities. His first appointment was that of Commissar for the Interior, a post he had to vacate in order to become the Extraordinary Commissioner for War Supplies, an office which he filled with great distinction. He then became organizer and first President of the Supreme Council of National Economy. Outside the Political Bureau the most prominent Bolsheviks, Kalinin, Krassin, Dzerzhinski, Chicherin, Sokolnikov, Lunacharsky, Piatakov, Litvinov, Krestinsky and

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Rakovsky, are all connected in one capacity or other with the running of the machinery of State.

This brief examination of the qualities for leadership of the most conspicuous Communists confirms, I think, the statement which I quoted at the beginning of this chapter. There is indeed no single man in the party who is competent to take Lenin's place. The only course left, then, is to pool the talent available to the party in a collegium. To-day the leadership is said to be exercised by a triumvirate; to-morrow it may be vested in a council of four or five. The numbers of the body is immaterial. Taken as a body, certainly the members of the Political Bureau are "able and experienced men." And so they may be quite capable of carrying on. But what they seem to lack and what Lenin could not bequeath to them is the real secret of his leadership, his moral courage; the honesty which he showed in recognizing and correcting his own mistakes, and the intrepidity with which he told necessary but unpalatable truths to his lieutenants and to the party in general. In 1920, at the celebration of his fiftieth birthday, Lenin took the opportunity of warning members of the party against getting an undue conceit of themselves. "There is a likelihood," he said, "of our party getting into a dangerous position, the position of a man who is over-conceited. Such a position is stupid, disgraceful and ridiculous. It is well known that the down-

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fall of many political parties has been preceded by a period in which they have been over-conceited. . . . Let me therefore finish by expressing the wish that we may never put our party in such a position." Two years later, in a speech delivered to a conference of Communist propagandists, he repeated this warning in more sombre tones. "The Communist Party," he declared, "is faced by three chief enemies. The first is Communist arrogance. The second is the illiteracy of the people. And the third is corruption." I could easily multiply quotations to this effect: they occur practically in every speech Lenin made. A re-reading of these speeches convinces me that it was this quality of moral courage that constituted Lenin's real greatness. This note of responsibility, restraint and self-examination, this utter disregard of the baser arts of the demagogue, this readiness to lead instead of to mislead the masses—these qualities seem somehow lacking in the Russian Communist leaders of to-day. Whether this lack is real or apparent it is not easy to say. Its absence, whether temporary or permanent, must be considered, I think, the greatest loss which the Bolshevik Party has sustained in Lenin's death.

PART II

THE NEW ECONOMIC POLICY AND
THE WORKERS

CHAPTER V

MOSCOW IN 1924

THE regular programme which the foreigner visiting Moscow was expected to follow in pre-war days embraced a tour of the city to see the walls and towers of the Kremlin and to gaze at the famous forty times forty churches, with their cupolas in blue, green and gold, their dainty, winding Venetian columns, and their grotesque and inviting porticoes. But no sight-seeing in the old capital was expected to go unrewarded. When the tour was ended the host would take his guest into one of the city's famous restaurants and feed him in the Moscow fashion, which means sumptuously. Its citizens could rightly boast that in the old days Moscow possessed the best restaurants in the world. Indeed, some of these, the restaurant of the Great Moscow Hotel, the Praha, the Hermitage, and the Iar, were world-famous for their cuisine and for their service. Their superlatively soft carpets, their noiseless, white-clad waiters who, if they had not been so cheerful-looking, would have seemed like doctors garbed for the operating theatre, the solemn ritual in which the silver dishes were carried round, the soft strains of Roumanian

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or Hungarian music floating from the orchestra, the endless variety of hors d'œuvre and liqueurs displayed on the buffet in the entrance hall—all this will be familiar to those who remember Moscow in Imperial and pre-war times. They will remember, too, the long line of tiny sledges, which awaited their reappearance from the restaurant, sledges drawn by the swiftest blood horses from the Orlov studs and driven furiously and chariot-wise by handsome, smartly-dressed men called Lihatch. This restaurant and after-dinner splendour disappeared on the advent of the Revolution and seemed to have gone for ever; but with the proclamation of the New Economic Policy restaurant life began to revive. But though the old places were reopened they had to cater for a new public, in the first place for the new ruling class, and later for the new rich.

As a matter of fact most of the reopened restaurants had become official institutions owned either by the Trade Unions or by the Moscow Soviet. The entrance into these grand but cold and unheated restaurants of the new aristocracy—a mob of shabbily-dressed men carrying portfolios—was one of the sights of the winter of 1921. These new patrons moved about like the old, just as if they owned the places. At first the restaurants were naturally far too expensive to be patronized by the general public. But the fortunes quickly amassed by speculators and traders who took advantage of the openings offered by the New Economic

Policy soon revived the old glory of restaurant life, the lavish toilettes of the ladies, the over-drinking and over-eating, the reckless night drives through the sleeping city on the Lihatch sledges, not to forget the surprise parties at which the gipsies sang and danced. Gradually, however, the pace got too hot to be followed, either by the new ruling class or by the new rich. The new aristocracy soon found that they could not afford to be mixed up with the new plutocracy; while the latter gradually became aware that the exposure of the lavish way in which they spent their money was not calculated to do them any good. In fact, when the first signs of an acute economic crisis appeared in the autumn of 1923, the restaurants, gambling halls, and night clubs at once attracted police attention. Arrests were made and most of the notorious speculators, gamblers, and so-called "socially harmful" elements were apprehended and banished from Moscow in the usual summary revolutionary fashion, and forbidden for two years to re-enter the capital or to live in the five more important towns. Soon, however, these casual arrests of the "socially harmful" developed into an elaborate scheme for the cleansing and "unloading" of houseless, overcrowded Moscow, a scheme which developed so as to include the banishment of great numbers of young people, who were active as brokers on the Black Exchange in the Nikolskaia, the Lombard Street of Russia.

The panic caused by these wholesale arrests

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quickly emptied the restaurants, many of which have since been transformed into business offices. The Empire, the biggest of the new ones, forms now the premises of the new Russo-Asiatic Bank. The Praha has been degraded into an auction room; while the Great Moscow Hotel is now the office of the Commissariat of the Interior. Moscow without restaurants strikes the average Russian as an absurdity. Certainly it provides a situation most disconcerting to the stranger. His first idea is that Moscow has turned ascetic. But he soon finds out that there is a kind of substitute for the now closed restaurants. This substitute is a number of high-class food shops, the so-called "gastro-nomic magazins." This class of shop is not, of course, new; some, indeed, occupy the old premises. The novelty consists in the magnificence of the interiors and in the abundance and variety of the food and drink, and chiefly in the late hours at which it can be procured. These shops keep open till twelve o'clock midnight, and even on Sundays from one to four in the afternoon. The "rush" hours are, strangely enough, between ten and twelve at night. At this time a Moscow citizen, student, speculator, actor, feels that the troubles of the days are over, and that for a couple of hours he can devote himself to peaceful enjoyment.

Moscow indeed seems to have developed a preference for quiet home life and feeding in privacy. Feasting in public is apt to arouse so much talk about a man's adherence to or

violation of his principles if he is a Communist, so much suspicion and ill-will if he is a bourgeois, and so much envy in any case, that the restaurants don't seem to be missed. Eating at home in congenial company frees a man from all these dangers and probably enhances the joy of good eating.

Some of the biggest food shops belong to the Moscow Co-operative Society. But, in addition to these, there are a dozen or more big shops, more or less like our departmental stores, in which food is sold till midnight. These latter shops belong to the employees of various State departments. Thus there is a shop attached to the Commissariat of Foreign Affairs, another run by the State Political Department (the Cheka), and others by the Ministries of Food, Education, and Foreign Trade. Between these various State shops a primitive sort of competition goes on. I noticed a rather quaint instance of this in the Cheka shop on the Kuznetzky. In the window was displayed an advertisement of the great State departmental store, the G.U.M., the famous building on the Red Square and opposite the Kremlin which occupies the space on which hundreds of shops used to stand in the old days. The advertisement gave a list of prices for staple foods and claimed that the G.U.M. was the cheapest shop in the city. Pasted below the advertisement was a notification in red ink "And now compare our prices"! from a study of which I gathered that

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the Cheka shop was really the cheaper. But when I looked at the faces of the women who were comparing these two piquant advertisements I could see no smiles there, but simple business-like comparisons.

The "gastronomic magazines" are one of the sights of Moscow, and are well worth visiting, not only for the splendour and richness of their architecture, but for the abundance and variety of the food, for the dignity and style in which it is sold, and for the gusto with which it is bought. Of all the Moscow shops the great shop on the Tverskayaia, built in the Moorish style with interior balconies and colonnades and with enormous lustres depending from the ceiling, takes the palm. A circumstance which lends the place a certain dignity is the white apron which every shop assistant wears over his great coat. This great shop, which was built by the well-known provision merchant, Elisseiev, is, of course, kept cool in view of the fact that its main stock consists of such perishable comestibles as caviare, sturgeon, salmon, and other smoked fish. Extravagant display is the keynote of these great food shops. Of butter, sausages, hams, and cheese there are regular mountains. Sour cream and cream cheese are shown in huge barrels. Sturgeons appear at full length, and caviare is displayed in big delft vases. If the customer wants to select a particular brand of this latter delicacy he is offered a little wooden spoon with which he extracts samples.

These spoons are, of course, thrown away after each sampling.

A popular department in these shops is that devoted to the sale of confectionery, including what is known as "Turkish Delight," not the sweetmeat English people know, but a paste compounded of honey, milk chocolate and nuts made in the form of a brick and called "halva." The Russian who wants to make a feast will buy in all the departments, thus procuring butter, ham, sausages, sturgeon, and caviare; but he will never omit to buy "halva." Often he uses "halva" in place of sugar when having tea, taking alternately a bite from the solid and a sip from the liquid. The sale of sweets, especially of chocolate, is a striking feature of the street life of Moscow. Vendors of chocolate, male and female, accost you everywhere. It is called milk chocolate, and is put up in silver paper only. This appetite for chocolates is not to be attributed to any special taste for them among Russians. As among Germans after the Armistice, it is probably the result of a long deprivation. Street sales of food, of white bread and scones, of sandwiches and hot pies, of halva and nuts, and especially of apples, are going on everywhere till after midnight. In the most populous districts the sellers are so many that they fill both sides of the streets, shouting out their wares.

Round the famous Iverskaia Chapel and Gate, which in Imperial days no one was allowed to pass without removing his hat, these

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street merchants are particularly numerous and clamorous. The narrow space before this historical gate has indeed a peculiar interest; for it is associated at once with Holy Russia, Revolutionary Russia, and the Russia of to-day. You see historical and Holy Russia in the little chapel devoted to the miracle-working icon of the Madonna and the gate leading to the Red Square. Revolutionary Russia is represented by two legends inscribed on the walls of the adjoining building, the old Town Hall. One of these covers the portico and runs: "Revolution is a whirlwind which overwhelms everyone who opposes it." The other, which replaces an old icon, is the notorious challenge: "Religion is opium for the people." New Russia is represented by that spirit of activity and acquisition which you see manifested all around you. The piemen, the sellers of sweetmeats, the halva and nut merchants all show this longing for doing something and making a little.

And all these poor pedlars are licensed. Indeed the selling of cigarettes and tobacco in the streets not only requires a licence, but is considered a privilege. The State Tobacco Trust has a monopoly of the sale of tobacco in the streets, which it conducts through a regular army of uniformed vendors; and it is said that students in the "workers' faculties" of the Universities are glad to take advantage of the preference given them in this street trading to eke out a living.

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Only second in importance to the primitive joy in food which is so conspicuous a feature of present-day life in Moscow is the newly-born interest in and passion for clothes. Men, women and children seem all to be preoccupied with the question of improving their wardrobe. Tailors are now kept very busy; for though they charge unheard-of prices for suits and overcoats, the deferred-payment system enables them to meet the paying capacity of the public. The number of well-dressed people in Moscow was one of the startling features of last winter. The ante-rooms of State departments, which are now well-warmed, look like a regular display of fur coats, fur caps, and goloshes. The messengers in these buildings, too, are no longer a mob of shabbily-dressed men and women, but in a great many cases are men in uniform with the gold initials of their office on their collars. This tendency to correctness in attire would have seemed incongruous a couple of years ago; but to-day it falls in with the general longing for smartness in dress.

More surprising even than this exhibition of furs is the fact that nearly everybody in Moscow seems to possess a good pair of boots. The felt boots which the more privileged classes could afford and the shoes made out of rugs which the poorer people were reduced to using have all disappeared. Indeed, this acquisition of strong boots which will stand wear seems to be responsible for that remarkable change of attitude and psychology which you cannot help

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noticing among the Russians of 1924. The confidence displayed in their eyes is the obvious consequence of a full belly and well-shod feet. Moscow in 1924 is indeed a living manifestation of the energies released by the New Economic Policy.

CHAPTER VI

TWO YEARS OF THE NEW ECONOMIC POLICY

TO define the New Economic Policy is no easy matter; for what is known under this name cannot be said to stand in any way for a distinctive economic system. In 1921 when this policy was introduced it primarily indicated the fact that the attempts to regulate the economic life of Russia in accordance with a definitive and rigid plan of Communism had failed. As a matter of fact, the use of the word "new" was inexact: the New Economic Policy was, after all, rather a return to the old economic policy than the evolution of a strictly new one. On the other hand, to characterize this policy as merely a return to the old and pre-Communist system of Capitalism would be also a mistake; for Lenin's intention obviously was to permit only such a return to Capitalism as had been proved unavoidable, and to retain the maximum State control and State organization of industry and trade compatible with such a return. An approximate idea of what

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this New Economic Policy stood for can be derived from Lenin's other name for it—State Capitalism.

It is of cardinal importance, however, to bear in mind that while the New Economic Policy was introduced in the spring of 1921 there is sufficient indication that already in 1918 Lenin had made attempts to popularize this policy in his party. In fact, soon after the conclusion of the Brest-Litovsk peace and the victory in the first stage of the Civil War Lenin made an energetic endeavour to arrest the wave of nationalization and to come to a working arrangement with the owners and managers of the big industries. This policy, which was bitterly attacked by the so-called Left Wing, Lenin first defined, in a series of articles and speeches, under the name of State Capitalism. Owing to the concentration of interest on the war and to the suppression of Russian news this struggle in the ranks of the Communist Party is less known in the West than it should be. Subsequently, too, the later and more striking aspects of militant Communism tended still further to obscure it.

Yet an acquaintance with the ideas of this period is indispensable to a correct appreciation not only of Lenin's achievements but of subsequent events. The most constant charge made against Lenin and his associates is that, contrary to the teachings of their own Marxian sociology, which told them that Communism could only arise as a result of the most highly

developed Capitalism, they deliberately proceeded to precipitate this in a country predominantly agricultural and containing only the rudiments of Capitalist development. But an examination of Lenin's struggle for State Capitalism against his Left Communist associates in the spring of 1918 will show conclusively that Lenin worked his hardest to extricate his party from the fatal policy of indiscriminate nationalization to which they were committed. The better, indeed, one is acquainted with Lenin's activities at this time the more readily one acquits him of any blindness to the realities of Russian economics.

I, personally, think that there was one cardinal error into which Lenin fell—and that was his ardent belief in the imminence of a World Socialist Revolution. As a Socialist theorist Lenin had no manner of doubt that Communism was bound first to arrive in the highly developed countries of the West—England and Germany—and in America. He never made the mistake commonly attributed to him of imagining that so backward a country as Russia was ripe and ready for Communism. All his utterances from the moment the Revolution broke out in Russia go to show that, though he believed that his country was going to play a very important and unique rôle in arousing the World Revolution, he never believed her capable of making a direct plunge into Communism.

A quotation from one of his utterances in

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1917 will amply corroborate this statement. "To the Russian proletariat," he said in a farewell letter addressed to the Swiss workers on the eve of his departure to Petrograd, "has fallen the great honour of beginning a series of revolutions which are the unavoidable outcome of the Imperialist War. But the idea that the Russian proletariat is the chosen Revolutionary Proletariat among the workers of Europe is absolutely alien to us. We are fully aware that the proletariat of Russia is less organized, less prepared and less conscious than the workers of other countries. It was the peculiar historical conditions and not the peculiar qualities of the Russian proletariat which made it for a certain period, and probably for a very short one, the advanced guard of the Revolutionary Proletariat of the world. Russia is a peasant country and one of the most backward of European countries. Socialism cannot win at once in Russia. Yet the peasant character of the country may, in view of the experience of 1905, give to the bourgeois democratic revolution of Russia such a swing as may make it a prologue to the World Socialist Revolution. . . . In Russia there cannot be an immediate victory for Socialism; but the peasant mass may transform the now ripe and inevitable agrarian reform into a confiscation of the landlords' entire estates."

So it will be seen that to Lenin the Russian Revolution had one great aim, to serve, as it

were, as the beacon of the World Revolution. To him the Russian Revolution fulfilled its purpose if it did but exist. That is why he showed himself so ready to make any concessions to the enemy—the advancing Germans—if only the Russian Revolution could thereby be salvaged. Of Lenin's attitude in this respect Trotsky gives some interesting details in his recent book on the Bolshevik leader. To Trotsky's suggestion that the signing of peace should be postponed until the Germans actually re-started the war Lenin opposed an indomitable refusal. "It is too risky," he said. "At the moment there is nothing in the world more important than our Revolution. We must at all costs put it out of danger." Nor was he shaken in his determination by Trotsky's reminder that the Germans might move on Moscow. "In that case," he declared, "we will retreat farther to the East, to the Urals, proclaiming all the time our readiness to sign peace. The Kuznetz Basin is rich in coal. We will make a Ural-Kuznetz Republic, basing ourselves on the industry of the Urals and the coal of the Kuznetz Basin, on the proletariat of the Urals and on those Petersburg and Moscow workmen whom we are able to take with us. We will go as far as Kamschatka if needs be; but we will hold out. The international situation will change again and again, and from our Ural-Kuznetz Republic we shall spread and return to Moscow and Petersburg. If, however, we hurl ourselves senselessly into a

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revolutionary war and let the flower of the working class and of our party be cut to pieces, why, then, of course, we shall not return at all."

But the moment peace was signed and the Russian Revolution salvaged Lenin consistently opposed the plans of his associates for "deepening" the Revolution in Russia. He not only insisted that the attack on Capitalism should be arrested, but demanded that the Soviet Government should make some accommodation with its great enemy, should, in his words, "take a step backwards." He ridiculed the idea current with the Left that the only tactics to be adopted by the party must be revolutionary. Now that the Communists had obtained the power in the State he advised them to give up the method of attack and to apply themselves diligently to the business of ruling. "Compare," he advised in one of his articles, "the usual and vulgar revolutionary watchwords with those which the peculiar conditions of our situation to-day compel me to urge you to adopt: 'Manœuvre,' 'Retreat,' 'Wait,' 'Slowly build up,' 'Pull yourselves together,' 'Severely discipline yourselves,' 'Curb your wantonness.' No wonder some 'Revolutionists' when they hear these watchwords become enraged and begin to 'curb' me as a man who forgets the traditions of the October Revolution, who is ready to compromise with the bourgeoisie, as being a petit bourgeois himself, etc., etc. . . ."

Again and again while recognizing that the

notion would be scoffed at by his Left Wing colleagues, he insisted that State Capitalism would constitute an actual step forward from the economic conditions obtaining in Russia in 1918. "I can imagine," he declared in another article, "the noble rage and horror into which a Left Wing Communist will be plunged when he hears these words. What? In a Soviet *Socialist* Republic the passage to State Capitalism is to be considered a step forward? Is not that treason to Socialism?"

This criticism Lenin met with a declaration that the Communists of the Left failed to understand three circumstances, the peculiar economic situation of Russia, the only way in which a transition from Capitalism to Socialism was possible, and the reason for calling the Soviet Republic a Socialist one. "The style 'Socialist Soviet Republic,'" he explained, "expresses only the determination of the Soviet Republic to forward the passage to Socialism. It in no way constitutes a claim that the new economic order in Russia is a Socialist one."

The actual introduction of the New Economic Policy is by this time so much a part of history that it is possible now to examine it with the necessary detachment and in the proper perspective. It is typical of Russian Revolution that every new phase of it is connected with the agrarian situation. The New Economic Policy indeed, however it developed later and however it may be interpreted, was essentially a measure intended to conciliate the peasants. The

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dramatic events that took place in the towns have formed, as it were, a screen which obscures the one significant fact of the Russian Revolution, the fact that the peasants, while obtaining the entire land of the landlords, have failed to secure any share in the political power that generally goes with ownership of land. The entire political power of the State which had been wrested from the landlords and the bureaucracy was by the Revolution vested entirely in the hands of the working class, in so far as that class is represented by the dictatorship of the Communist Party.

The struggle for power in the towns between the different groups has led to the neglect of the main issue of the Revolution, the growing struggle between the urban and the rural population. Even if the various urban groups settled their differences so as to remove all trace of Communist dictatorship in the towns the dictatorship exercised over the villages by the towns would still remain. The violent period of this latter dictatorship was certainly caused by the blockade and the decline of agriculture. But even in normal conditions the conflict between town and country was bound to arise. In time of famine this conflict became quite ruthless; but the more unmitigated the dictatorship of the towns became the more quickly and the more inevitably it had to be modified. How great the tension was and how near matters came to a breaking-point was dramatically revealed to all

Russia by the outbreak of the Kronstadt Mutiny with its unmistakably peasant watchword "For the Soviets, but against the Communists!" That the danger point had been almost reached can be seen still more clearly from the manner in which Lenin introduced the measure substituting a tax on grain for the requisitioning of grain, to the surprise and consternation of the majority of the members of the Communist Congress. Lenin had met all the crises of the Civil War with an unruffled and almost inhuman composure. On this occasion alone he made no secret of his perturbation and of his conviction of the necessity of surrender. The re-establishment of free-trading in grain he recognized as a defeat pure and simple. But he had no hesitation in introducing a measure to this effect and in introducing it without a moment's delay.

It is difficult now to grasp the fact that the great change from militant Communism to present-day economic conditions in Russia originated in the seemingly insignificant circumstance of substituting one food policy for another. When Lenin, in the March of 1921, at the Tenth Congress of the Communist Party, proposed that a tax on grain should take the place of the requisitioning of grain no one apparently expected that this innovation was destined to open the door wide for the return of Capitalism. True, Lenin himself frankly admitted that the concession to the peasants of the right freely to dispose of their surplus of

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grain must inevitably create private capital. But he maintained that the political predominance of the urban proletariat was bound to modify the growth of Capitalism and that this predominance could be retained as long as the urban proletariat was in command of the key industries of transport and mines. It is by no means an accident that the concession to Capitalism involved in the abolition of the State's monopoly of grain coincided with the establishment of the so-called State Plan Commission, a council widely advertised as likely to counterbalance most of the evils bound to arise from the reintroduction of Capitalism.

The Socialists of all schools, and especially the Marxians, were wont to concentrate their criticism of the bourgeois regime on the contention that it was chaotic and anarchical. They held that the absence of a well-considered plan of production and distribution left economic progress entirely in the grip of blind elemental forces. And this, they urged, led to overproduction and consequent waste on the one hand and to periodical economic crises and consequent unemployment on the other. From the very beginning Lenin was never weary of advocating the strictest system of accounting and control as the only way to Socialism. He even went further. He insisted that accounting and control were not only the way to Socialism but were part and parcel of Socialism. But all his attempts to embody this policy in a State plan failed, partly because of the Civil War, but

mainly because there could be no such plan in a country in which an economic chaos prevailed. A State plan of economic life presupposes a certain symmetry and harmony ; and there could be no such thing in Soviet Russia, where the Government had to concentrate all its energies one day on collecting food, the next on accumulating fuel, and the third on repairing locomotives.

Yet the Communists never gave up the hope of regulating the economic life of the country according to plan. Toward the end of 1920, when the Commission for the Electrification of Russia presented their report to the Eighth Congress of Soviets, Lenin congratulated the Congress on having at last secured a real State plan. But the very enthusiasm which the electrification scheme aroused shows clearly that neither Lenin nor any of his colleagues believed in the immediate feasibility of regulating life in Russia by a cut and dried economic plan. Even the most enthusiastic supporters of the electrification scheme had to admit that such a plan could only materialize in the distant future. But with the reappearance of that great factor, a free peasant market, the longing for a regulation of economic life by a State plan revived with fresh vigour. If it was found necessary to appeal to the spirit of private enterprise—and the New Economic Policy meant nothing less than this—it was also felt that the free play of economic forces could only be counterbalanced by adhesion to a strict plan of

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State economy. By this device it was believed that the State could preserve its economic predominance despite the danger inherent in the re-establishment of a free market. But all efforts to retain the maximum State control and to regulate the economic life of the country according to a State plan were eventually defeated. Every day the New Economic Policy tended more and more to emancipation and less and less to control. At the start only the peasant market was free. All other economic forces were in strict dependence on the State. But in the end the New Economic Policy not only led to a practically complete liberation of private enterprises from all attempts of the State to regulate them, but nearly succeeded in permeating State enterprises with the spirit prevailing in private ones. This latest stage I shall, however, discuss in a further chapter, where I deal with the economic crisis of 1923. Here my concern is to give some idea of the initial stages of the New Economic Policy.

There is a Russian saying, always very popular with the disciples of Marx, that "Whoever says A says B." The cogency of this maxim was never better illustrated than by the rapid evolution of measures required to implement the initial measure of State Capitalism. The abolition of the State's monopoly of grain and the imposition of the grain tax were acts designed to give the peasants a stimulus to production. This was

the innocent A in the alphabet of the Bolshevik retreat. Less than three weeks later the necessity was seen of affording the urban workers a similar stimulus. Soon it became unavoidable to suffer the reappearance, not clandestinely but legally, of the hated bourgeois, first as middle-man and trader, and then even as employer of labour. And subsequently a whole series of big and small concessions was made modifying the relations between the urban and the rural population on the one hand and those between the State and the economic forces of the country on the other.

To follow all the stages by which the New Economic Policy developed is a task outside the province of this book. But the earlier ones are worth tracing. The reintroduction of the market re-created, of course, marketable goods and their production and distribution according to the law of exchange. This led inevitably to the re-emergence of the idea of monetary price; for under the Communist system, which extinguished all sale and purchase of goods, price had lost its essential significance and existed only as a means of approximate calculation. But the return to a monetary exchange was not sudden; there was an intermediate stage in which exchange was still conducted by barter. The first preliminary to a monetary system was the concession of the right to possess money. Under militant Communism it had naturally been a criminal offence to possess money. In June, 1921, two

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decrees were issued, one giving the co-operative societies the right to possess and to handle money, the other abolishing in general all limitations on the possession and handling of money. Among the many kaleidoscopic measures thrown out by the Soviet Government about this time one of the most significant was the decree of August 12th, whereby nationalized undertakings were given the right to become autonomous on the basis of paying their way. Such factories or undertakings were to retain all their equipment, stocks of fuel, raw materials and semi-manufactured products; but they were to lose any claim to being supplied by the State with money or food for paying wages, they had to run their business on commercial lines, and they were under no obligation to supply any Government department with their produce without payment. Very soon most of the former State industries became autonomous in this sense. Later in the same month the State factories acquired the right to buy on the market the raw material they needed and the food they required to pay the workmen's wages; while in October, 1921, they secured the additional privilege of selling their produce in the open market. In this rapid and summary fashion were the necessary steps taken for building up the new economic system.

It goes without saying that the new conditions created by the revival of the market were bound to have an immediate influence on monetary relations. The Communist idea of

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conducting economic life without money was given up, and everybody was eager to re-establish the position of money. The Congress of Soviets held towards the end of 1921 gave the Commissariat of Finance the task of cutting down as far as possible the printing of rouble notes with a view of stabilizing the currency on a gold basis. With the same object taxation was reintroduced and the principle of paying for all goods and services was restored. The decrees of the time which stipulate that all goods and services which the State supplies to private persons or to co-operative societies must be paid for make rather quaint reading to-day. Thus the decree of July 9th re-established railway fares. That of August 1st restored postal and telegraph charges. That of September 15th reintroduced water rates, electricity rates and gas rates, along with charges for the use of tramways, public baths and laundries. That of September 6th imposed a charge for the food rations still distributed. That of October 20th reinstituted payment of rent for the use of land, store-houses and shops; and soon the principle of payment was re-established generally.

The improvements expected from the New Economic Policy were not at once apparent. On the contrary the economic decline continued throughout 1921, and the general situation grew rather worse. The misery of the time was heightened by the famine which broke out in the autumn of the same year, a famine which

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was the worst Russia had experienced for thirty years. A few figures will show the magnitude of the disaster. The famine of 1891 had affected seventeen million persons, that of 1906 twenty-one million, that of 1911 twenty-seven million; but that of 1921 involved no less than forty-three million. In the worst of the previous Russian famines the number of peasants who could not get even enough grain for seed never exceeded three million; but in 1921 such peasants numbered thirteen million. That is to say, thirteen million peasants were absolutely destitute. Twenty-seven provinces, that is nearly half Russia, were in the grip of the famine. In these provinces the food consumption of the people sank to a terribly low level, and the death-rate among both human beings and cattle was terribly high.

Some idea of the general economic situation can be gathered from the low level of wages that prevailed at the time. I take wages as an illustration in preference to any other factor mainly because the position of labour was and remains the first consideration of the Bolshevik Government. In Soviet Russia, especially under the dictatorship of the proletariat, wages have always tended towards the maximum. The fact, then, that wages were low—and they were on a famine basis—affords the most remarkable illustration of the general economic decline. But before I give any figures I think it is necessary to explain that no reliable statistics exist dealing with the wages paid to

the town workers in the period of militant Communism. As is known, the wages were paid partly in kind, the greater portion of which was food, and partly in money. The real money value of the food portion of wages is hard to estimate; for no real valuation was ever attempted. The value could, of course, be put very high by basing it on the ever fluctuating prices prevailing in the speculators', i.e., the illicit, market, or absurdly low by calculating it on the basis of the fixed Government prices, prices intended only for purposes of calculation, with no bearing on real conditions.

All estimates of the value of the food supplied to the worker in place of wages are and must then remain arbitrary. But even the smaller portion of wages which was paid in paper roubles is hard to calculate in terms of real money on account of the incessant inflation. Yet theoretic and abstract as all Russian wage rates of this time must be, they afford some sort of basis for comparison. Taken with this reservation the available figures reveal the fact that wages which were nearly constant throughout 1920 and even showed a marked tendency to improvement at the beginning of 1921, i.e., on the eve of the promulgation of the New Economic Policy, fell very considerably in the months immediately subsequent. In 1920 a Moscow worker could only earn between 2 and 4 pre-war roubles a month. But, pitiable as these wages of his were, they fell still lower. In the summer of 1921 he could only earn

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1 rouble 45 kopeks a month. It is needless to say that a worker could not live on this. Even at that time the subsistence minimum was considered to lie somewhere between 5 and 6 roubles.

In my work "Bolshevism in Retreat," I showed how urban workers supplemented their earnings at this time. What they failed to secure in wages they obtained by speculation and by carrying off from the factories anything that could be exchanged for food, that is to say, fuel, tools and raw materials. The estimate of the value of these "irregular" portions of a worker's income is a matter of controversy. But no economist puts it lower than 40 per cent. of the man's actual earnings. This account of the earnings of the town labourer during and immediately after the introduction of the New Economic Policy gives, I hope, some idea of Russia's economic situation at the time. I can supplement it by quoting the opinion of a most competent Russian economist. In his general summary of Russia's national economy for 1921, published by the editors of "Economic Life," Groman makes the following unambiguous statement: "To the question," he says, "whether Russia has become richer or poorer in 1921, whether the country's productive forces have grown larger or smaller there can be one reply only. The productive forces have grown smaller: Russia has become poorer. But to the question whether the organization of economic life has improved or deteriorated

there again can be one reply only. The organization has improved. The year 1922 has inherited from 1921 diminishing resources but an improved organization."

This opinion has been confirmed by the experience of the last two years, which has abundantly proved the efficacy of the "improved organization" created by the New Economic Policy. If again we take as an illustration of the country's general economic situation the position of the labour market and the wage level we find a striking and palpable progress. The advance in real wages started at the end of 1921 with a jump from 1 rouble 45 kopeks a month to 9 roubles 70 kopeks. From that time wages increased month by month till October, 1923, when an economic crisis set in which arrested progress. The actual rise of wages may be gathered from the following figures. In the first quarter of 1922 wages stood at 9 roubles; in the second quarter at 10.9 roubles; in the third quarter at 15.1 roubles; in the fourth quarter at 17 roubles. In the first quarter of 1923 they had risen to 20.5 roubles; in the second quarter they dropped to 20.3 roubles; in the third quarter they rose to 21.4 roubles; while in the last quarter they rose to 22.1 roubles.

These are the wages prevailing in the two capitals. The average for all the Union of Socialist Soviet Republics is from 30 to 50 per cent. lower. A complete explanation of this startling discrepancy is not easy to find. It

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obviously arises from a complex of political and economic causes. The higher wages obtained by the Petrograd and Moscow workers are probably due to two facts, the first being that food is more expensive in the capitals and the general standard of living higher, and the second that there the workers are better organized and, established as they are at the seats of government, are more in a position to exert influence on it through their trade unions. This disparity is, of course, no new factor in Russia. In pre-war times the average annual earnings of a Petrograd worker was 45 per cent. higher than the average for the whole of Russia. The discussion of the details of the wages question I must reserve for another chapter. Here I would only point out that wages which in 1920 possessed only 15 per cent. of their pre-war value reached in 1922 42 per cent. and in 1923 60 per cent. of this value. This rise in wages is not an isolated phenomenon: it corresponds closely to the progress made in other spheres of economic activity, that is to say, to the increase of agricultural productivity, to the advance made in industry and trade, and to the stabilization of the finances. The first two of these questions I shall examine in some detail in other parts of the book. Here I propose to devote some space to the fascinating story of the third.

Of all the events that have taken place in Russia in the last few years the re-establishment of the position of money is, I think, the

most extraordinary. The strikingly successful attempt to resuscitate the mark in Germany may have contributed to the belief that in dealing with money there is no miracle that cannot be performed. But it must be remembered that the financial situation in Russia was totally different from that in Germany. In Germany the monetary basis of economics was never destroyed, and secondly industry and trade always remained intact. In Russia on the other hand there was a time when money ceased to function at all, when industry and trade almost disappeared, and when the circulation of commodities was conducted on the principle of pure barter. In the Russia of to-day we have a striking illustration of the resuscitation of the position and organizing ability of money. At the very moment when the New Economic Policy was promulgated the Bolshevik leaders were thoroughly convinced that their paper currency was doomed and would soon fail absolutely to function. Preobrajensky, a former member of the Commissariat of Finance, confessed as much in the speech which he delivered at the Communist Congress in the spring of 1921. "During the French Revolution," he said, "the assignats lost their value five hundred times. But our rouble has deteriorated twenty thousand times. We still exist and manage somehow to keep afloat on the paper money we receive from the Commissariat of Finance. But some day the end must come. We shall

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have to allow our present rouble to die and to prepare an heir to the system."

Here, however, occurred the great surprise. The New Economic Policy, instead of finally killing the dying currency, gave it a new lease of life. Soviet roubles again began to buy goods and to organize services. But, while this deteriorated money retained its function as a medium of exchange, it had lost entirely the chief quality of money, that of conserving values. The more capitalist relations grew, the more rapid became the inflation of currency. Inflation, as the Russian situation proved clearly, cannot be defined or explained in terms of pure economics. It originates in economic facts; but it rapidly begins to permeate the psychology of the people. To inflate prices as an insurance against the inflation of currency soon becomes second nature. Inflated money burns, as it were, the fingers of the owner, whose only idea is to get rid of it at once, and to buy anything from a rare miniature to salt-herrings, and to pay any price, in the sure expectation that this price will appreciate in a day or even in an hour. The result in Russia of this general "flight from the rouble" was the increase of inflation at a terrific and practically incalculable rate. The appalling deterioration which shocked Preobrazhensky and led him to believe in the imminent death of the rouble was, in fact, only the beginning of the craze. In March, 1921, when he voiced his apprehensions, the Commissariat of

Finance issued only 200,000 million roubles. The succeeding March they issued 32,000,000 million. At the end of 1922 the monthly issue was 515,000,000 million. In January, 1923, the entire mass of paper money in circulation amounted to a stupendous and unpronounceable figure, starting with a modest 2, with a tail of fifteen noughts. I certainly cannot name such figures; only astronomers are in the habit of coping with them.

This mad inflation on the one hand and the soaring prices on the other could only benefit the most frenzied speculators. Calculation became indeed impossible and sound economy was out of the question. There then arose an instinctive call for some stable measure of value. Since 1922, indeed, we have been witnessing in Russia a series of efforts to find some substitute for money, some basis, however vague or complicated, for calculation. So we met with the "pre-war rouble," the "gold rouble" and the "commodity rouble." The State budget in 1922 and 1923, including taxes and duties, was fixed, for instance, in gold roubles; while wages were calculated in commodity roubles. But all these theoretical calculations had to be worked out in Soviet money, and therefore a rate of exchange had to be always procurable. The consequence was that every day people were hunting for the proper rate at which they had to pay the nominal sum of pre-war, gold or commodity roubles. With the object of fixing a scientifically correct

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index figure different bodies were authorized to settle day by day the value of these roubles in ordinary Soviet currency. But in spite of a complicated situation, which required the invention of unreal measures of value and of manifold and contradictory ways of fixing an index figure, the revival of commercial activity was improving the financial situation. Up to the middle of 1922 the real value of money in circulation was steadily decreasing. At the beginning of the Great War the money in circulation in Russia was worth nearly 2,000 million gold roubles. In the summer of 1922, though the mass of money in circulation nominally increased to an inconceivable extent, its value in gold was only 30 million roubles. But by October of the same year the turning point had arrived. The paper currency was then valued at 116 million gold roubles.

But this improvement of the financial situation was not only due to the increase of commercial activity, it was also helped by the attempts to revive taxation. When the Bolsheviks announced their intention of raising revenue by taxation they were derided as optimists. The Russian people have never had any but the most rudimentary ideas as to the duty of paying taxes; and even these were uprooted by the Bolsheviks themselves during the Civil War, when taxation was replaced by wholesale and ruthless requisitioning. At that time Russians seem to have reverted to their primitive opinion that taxation is sheer robbery.

Inasmuch, however, as the entire organization for assessment and collection had been destroyed, the business of imposing taxes meant improvising the machinery of taxation and educating anew the tax-payers. That the initial stages of this experiment were difficult may be seen from the fact that a year after the reintroduction of taxation the revenue derived from it was only 2·7 per cent. of the State budget, 86·7 per cent. being still obtained by issuing new paper money and 10·6 per cent. from State enterprises and monopolies. By the end of the year, however, the situation had improved so considerably that taxation yielded 24·4 of the revenue, while 27·3 per cent. came from State monopolies and only 46·3 per cent. from issuing new money. Certainly this effect was only achieved by assessing the tax-payers' liability at and above the maximum, and for months the cry rose up that taxation was ruining the country.

By the autumn of 1922 the economic and financial situation had, however, reached such a stage that it became absolutely imperative to satisfy the demand for a stable currency. The demand was, indeed, so clamorous that already transactions were actually being conducted in stable currencies, that is to say, partly in the old Tzarist gold coins and partly in American dollars and English pounds. As a matter of fact, quite a large amount of dollars and pounds had by this time found their way into Russia, mostly in small sums transmitted to their

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relatives by Russians in America and Great Britain. At first this foreign money remained in the State Bank, the public being paid the equivalent in Soviet currency. But when the foreign banks made it a stipulation that the recipients should be paid in dollars and pounds the State Bank agreed. And in this way a considerable amount of foreign currency passed into circulation. Confronted with the danger of permitting this foreign currency to become the medium of exchange, the Commissariat of Finance, despite general scepticism, decided to try the experiment of introducing a new and stable currency.

In October, 1922, the State Bank received authorization to issue the so-called chervonetz, a bank-note representing exactly the amount of gold contained in an old Russian ten-rouble piece. This issue of chervontzy was covered by a 25 per cent. backing of their value in gold bullion or foreign currency; while another protection was given them in a promise to exchange the notes at some future date for their full value in gold. Apart from these stipulations the chervontzy were set apart from the ordinary Soviet currency by two circumstances. They were issued by the State Bank and not by the Commissariat of Finance; and they could only be borrowed by the Commissariat for State expenses on condition that it guaranteed such loans by surrendering to the bank gold representing at least one half of their value. At first the chervontzy were not money in the

proper sense. They did not circulate and performed only one function, that of facilitating the accumulation of money. They were, in fact, looked upon as bonds which had to be sold to obtain money. The period of their transformation into money is the period in which the Russian currency was stabilized.

On January 1st, 1923, there were only 350,000 chervontzy issued; but by January of 1924 27 million were in circulation. The cover now consists in 31·6 per cent. of gold and platinum and 19·5 per cent. of foreign bank-notes, i.e., 51·5 per cent. of first-class security; while the other 48·9 per cent. is backed by bills of lading and exchange. The fact that it has been given a larger cover of first-class securities than had been stipulated has certainly contributed to the belief in this new bank-note. An interesting example of the comparative rapidity with which it has leaped into favour is furnished by the fact that whereas in August, 1923, the cotton-growers of Turkestan demanded the ordinary Soviet roubles and refused to take chervontzy, in the winter even the peasants in the villages refused to sell cotton for anything but chervontzy. By this time the chervonetz had naturally become the basis for all trade transactions. Prices were fixed in chervontzy or fractions of them; and they were paid in ordinary Soviet currency at the day's rate of exchange. The stability of the chervonetz was like a rock in the financial swamp. To a people longing for a stable currency but

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accustomed to inflation the chervonetz and the Soviet currency were complementary to one another. It is no paradox to declare that without the support of the rapidly falling Soviet rouble the chervonetz could never have secured stability. The competition between the chervonetz and the Soviet rouble was of necessity fatal to the latter. The more the chervonetz got into circulation the more acute became the distress of the Soviet rouble. By the winter of 1923-24 its distress became a death agony. By this time the Soviet rouble had lost every single quality or characteristic of money. It could fix no prices; it was no longer a medium of exchange; it had ceased to conserve values. The only use to which it could be put was that of small change; and this only because in the chervonetz currency there was no denomination lower than 10 roubles. The result of this dissolution of the Soviet rouble was the urgent necessity of completing the financial reform by stopping the issue of rouble currency and by issuing in its place stable money of lesser values, five, three and one rouble notes.

I have dealt in some detail with the genesis of the chervonetz because I want my readers to realize how urgent a question monetary reform had become in 1922, and how inevitable it was that the bubble of inflation should ultimately burst. What is now taking place in Russia is the last stage of the process of stabilization; and this is perhaps the most piquant stage as

being in a sense an experiment based more on psychology than on economics. In the spring of 1924 the Commissariat of Finance announced its intention of abolishing Soviet roubles and of replacing them by a new currency having the value of gold. But this new currency was to be issued, not like the chervontzy from the State Bank and backed by gold and first-rate securities, but from the Treasury without any backing whatever. These new Treasury notes were accordingly issued in March last at denominations of one, three and five gold roubles; while the Soviet roubles were called in and ceased to be legal tender after April 10th. This was certainly an unavoidable experiment; for the Soviet rouble was *in extremis* and refused to function. Yet it was a daring experiment; for if it failed it was bound to bring down the chervonetz as well as the measure of stability achieved during the two preceding years. The ultimate result of a stabilization of currency effected by this peculiar means of appealing to the confidence of the nation is obvious. The success of such an experiment manifestly implies the re-establishment of the authority of the Soviet Government and the revival of Russian economic life. But, however advantageous it may prove to the sanitation of the economic life of the country, a stabilization carried through in this drastic and hasty fashion could not be effected without producing some injurious effects. These unfavourable aspects of the

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stabilization of the Russian currency will be apparent when I come, in the next chapter, to trace the main outlines of the economic crisis of the winter of 1923-24. The study of this crisis is the more important as indicating the results of the first two years' development of the New Economic Policy and as forecasting the direction in which the future development is likely to proceed.

CHAPTER VII

THE ECONOMIC CRISIS OF 1923-24

THE economic crisis of the autumn and winter of 1923-24 is known as the crisis of the scissors. This peculiar name was invented to express the fact of the startling disparity between the price of industrial goods and that of agricultural produce. Like the two blades of an extended pair of scissors they tended to get wider and wider apart. The metaphor of the scissors seemed the more appropriate as expressing not only the fact that the respective prices were falling apart, but also the fact that only a few months earlier they had been related to one another in a directly opposite proportion. If the upper ring of a pair of scissors expresses the price for agricultural produce in 1922 it is the lower blade that will express the price in 1923. And vice versa the price of industrial goods which was expressed in 1922 by the lower ring will in 1923 be expressed by the upper blade. So we see that the peculiar phenomenon of the crisis was this,

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that in the summer of 1923 the relation between the two groups of prices was suddenly reversed. Agricultural produce not only lost its advantage over industrial goods but occupied a position of ruinous disadvantage.

That the New Economic Policy at first favoured agriculture is quite obvious. In spite of a bad harvest the peasants could for the first time freely dispose of the surplus of their grain. That this surplus was small and that the cities were hungrily waiting for it explains the disproportionately high price demanded and obtained for the grain. The period which started in the winter 1921-22 and continued till the next winter may, then, with a certain element of truth be called "the dictatorship of bread." The peasants' rye was supreme on the market. The price which they demanded was the measure of value at that time. The favourable situation of the peasants in the market was enhanced too by the fact that the newly created State trusts, having to commence their commercial career with practically no working capital whatever, were compelled to sell all their stock at a sacrifice. Even plant and machinery were included in this great all-Russian sale. It is calculated that during this period the peasants sold their produce at a net profit of over 200,000,000 gold roubles, which they carried off in the form of industrial goods sold in the market at a considerable loss.

But this period of their predominance in the market was very short. The harvest of 1922

was so abundant that the high prices for agricultural produce could no longer be kept up. On the other hand, the lack of working capital for running industry ceased to be acute. This phenomenon was closely connected with the creation of banks and banking credits. Up to the reopening of the State Bank industry could rely only on subsidies from the Treasury; and these, save in the case of the metal, coal, transport and armament industries, were practically not forthcoming. Even the favoured industries received such small "dotations"—as they were called—that in some cases they were months in arrears in the payment of wages. If it had not been, indeed, for the help afforded by the banks most of these would have had to close down. In 1923 the State Bank and the three other banks, the Industrial, the Commercial, and the Co-operative, lent industrial undertaking as big a sum as 400,000,000 roubles. To understand how considerable this credit was it is sufficient to point out that it constitutes an equivalent to a quarter of the entire value of Russian industrial production in 1923. The dotations of the State in the same period were only 110,000,000 roubles.

But the ability of the banks to give credits to industry brings us back once more to the creation of the chervonetz. It was the need, indeed, for giving commercial credits that prompted the Commissariat of Finance to undertake the risk of issuing these bank-notes. In this way industry, which up to this time had

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had to rely on uncertain State subsidies or on hasty selling and under-selling of its own stock, now obtained a certain stability. Previously it had been feverishly dependent on the market; now it was regularly supplied with money and could therefore assume more or less of an independent attitude. It believed that it had now reached a position in which it could not only afford to wait, but might even get its revenge. Indeed the advantage which industry gained over agriculture by the introduction of the new chervonetz currency became absolute. This was a period of two parallel currencies, the fairly stable chervonetz currency which supported industry and circulated mainly in the cities, and the rapidly falling rouble currency, the only currency known and accepted at that time in the villages. The chervonetz was properly known as the industrial currency; while the Soviet rouble was the peasants' money. It was the peasants, indeed, who practically shouldered the enormous loss brought about by the agony of the rouble. The relationship between industry and agriculture had now been reversed. There was a glut of agricultural produce and a relative scarcity of industrial goods in the market.

The most remarkable fact in this situation was not that the price of agricultural produce was falling while that of industrial goods was rising, but that it was falling in comparison with the pre-war prices; while that for

industrial goods was steadily rising above the pre-war level. In January, 1923, the agricultural price represented only 82 per cent. of the pre-war level, while the average industrial price rose 24 per cent. above that level. This difference of over 40 per cent. would of itself not have been dangerous. It reflected more or less correctly the actual economic situation, namely, the fact that industry had been more completely destroyed than agriculture, and that its products were consequently bound to cost more than agricultural produce. The danger came when it was evident that this difference was only the beginning of the parting of the industrial and agricultural blades of the scissors. Three months later the industrial blade was fully 100 per cent. above the agricultural. And it is all important to note that this effect was produced not by the simple soaring of the one blade—the industrial—but by the simultaneous falling of the other—the agricultural. In fact the prices of agricultural produce fell during these three months another 10 per cent.; while that of industrial goods naturally rose another 20 per cent. But this was not the end. In the next six months agricultural prices fell 50 per cent. below and industrial prices rose to over 80 per cent. above that pre-war level, which means that the difference between them now reached the stupendous figure of 300 per cent. The crisis was now at its height. The peasants ceased buying goods. Retail trade was dying. And the

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panic became so general that the banks instead of buttressing credit refused to give it any further support, a circumstance which had the effect of paralysing the wholesale trade too. The extent of the paralysis can be gathered from the following facts. Transactions on the exchanges fell in August, 1923, 34 per cent. In the following month another 12·5 per cent. decline was registered. And in October a further decline of 20 per cent. took place. Another indication was furnished by the closing down of 19 per cent. of the licensed trading establishments. Yet another sign was the number of bills which failed to be met. That a general protestation of bills was avoided was due only to a kind of moratorium arranged by the government.

This catastrophic situation was a crisis of the market. In that respect it was a capitalist crisis. But with one very characteristic difference. Every capitalist crisis of this kind is due to over-production. But one cannot speak of over-production in a country like Soviet Russia, where at this time production reached only 30 per cent. of the pre-war level and where the people had been for years deprived of goods. The fact that the situation was ultimately met by a cut in prices shows conclusively that it was a crisis not of over-production but of under-production. The narrow basis of Russian industries, their antiquated and worn-out equipment, the uneconomical methods of running them, the keeping of a disproportion-

ately large staff, the use of unskilled labour, the bulky and very expensive mechanism for placing goods on the market, and the exorbitant trade profits made by the middleman and the traders, all this combined to raise the cost of goods and to render their purchase impossible. An increase in production would not at once have remedied these conditions; but it would certainly have brought down prices.

In November, 1923, when it became quite clear that the paralysis was mainly due to these high prices, it was decided by the Supreme Economic Council to cut them drastically. The average cut was 23·7 per cent.; while the price of wool, textiles and other goods was reduced still lower—by 33 per cent. This cut in prices had an immediate effect on the market. But the crisis was ultimately overcome not so much by this cut in prices as by the fact that the depreciated Soviet rouble disappeared and the peasants at last were given the benefit of the new and more stable chervonetz. With the calling in of the Soviet rouble, the unification of the currency and the relative stabilization of prices, trade became less feverish. Some idea of the progress achieved can be gathered from a comparison of the trade figures for the four months after the introduction of the currency reform with those of the corresponding four months of last year. The average monthly return of the Moscow and provincial goods exchanges

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was 246 million roubles after the reform as compared with the 116 million of last year.

The desperate economic depression of the winter of 1923-24 roused great anxiety in Russia, and, as I have already mentioned, was at the bottom of the dissension in the Communist ranks that arose at this time. The character and the magnitude of this depression inevitably provoked a discussion in the party on the merits of the New Economic Policy. Some members of the business group urged that further concessions should be made to the demands of the peasants. Others clamoured for an arrest of the wave of concessions. These latter attributed the crisis to the absence of a State economic plan. They urged that the State trusts and syndicates, instead of being correlated and unified in policy, had been allowed to develop as in a purely capitalist State, each in its own way. They protested against the growth of the spirit of commercialism in these State undertakings. According to them the economic situation as developed in 1923 was no longer the New Economic Policy as introduced two years earlier, but what they styled the newest economic policy, a policy which gave full scope to the free play of economic forces and to the growth of a new and dominating bourgeois class. They saw only one remedy for this evil, and that was State control as exemplified in a State economic plan.

The proceedings and resolutions of the Thirteenth Congress of the party, which took

place in May, 1924, made it quite clear that no modification of the main principle of the New Economic Policy—the freedom of the peasant market—was in contemplation. As to the question of a State plan the leaders—Zinoviev, Kamenev and others—while paying lip-service to the principle, protested against any concrete cut-and-dried plan being formed, and avoiding the issue pointed out with a certain shrewdness that currency reform and sanitation of the budget were in fact all portions of a State plan. In one respect only did the crisis influence the policy of the party. It demonstrated that, as far as trade was concerned, private capital ruled supreme in the market, and it stimulated the party to take measures for giving State and co-operative capital a preponderance in the market equal to that which they enjoyed in production. But this preponderance was not to be the result of super-economic forces. “The main method to be followed in the capture of the market,” run the terms of this resolution, “should be not measures of administrative action but a strengthening of the economic position of State and co-operative trade.” Anyhow, it is plain that in this fight for the control of the market the Bolsheviks are very unlikely to resort to any but purely economic methods of competition. Recent history has taught them that an attempt to dictate prices or to use coercion in any way can only result in an ultimate dislocation of the market. Adminis-

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trative dictation, followed as it would be by the withdrawal of the private traders from the market along with their goods, would only precipitate another and a more acute crisis.

Whether this scheme for capturing trade is feasible remains to be seen; but as the situation stands to-day it will, if at all possible, necessitate a prolonged and bitter struggle. How private capital has captured the market in the short period of three years will be evident from the following survey. The number of all licensed trade establishments—that is of all traders, from wholesale dealers to the smallest village retail shops with the exclusion of pedlars—is 460,803. If we compare these figures with the number of pre-war licensed trade establishments—which amounted to 935,000—we find that in three years time 50 per cent. of all trade establishments has been restored. If we divide these 460,000 shops according to proprietorship we find that the State possesses altogether—in the cities and in the villages—11,915. The co-operative societies possess 27,678. The privately owned shops number 420,366. If we divide all the shops according to their four categories, wholesale, wholesale and retail, retail, and market, we find that only in the wholesale trade of which they possess 55 per cent. are the State-owned shops predominant. In each of the three other categories private trade is predominant; and the smaller the shop and the nearer it is to the consumer the oftener it is in

the hands of a private owner. The relationship between State, co-operative and private shops in the cities is indicated in the following table :

	Market place	Retail	Whole-sale and Retail	Whole-sale	Total
State . . .	—	3924	1952	860	6736
Co-operative . .	—	6390	1228	466	8084
Private . . .	153427	108079	3795	730	266031

These figures are well worth analysing. They show that even in the wholesale trade private enterprise enters into such serious competition with the State that it has nearly as many shops as the State. They demonstrate further that 92 per cent. of the retail trade is in the hands of private persons. And, what is of gravest importance, they show that from that area in which the masses make their purchases—the market places—the State controlled trade is completely absent. In the villages the situation of State trade is still less favourable. Here State shops are practically unknown and even co-operative shops are only 14·6 of all the shops. If we compare State and private trade from the point of view of their respective turn-over we find that 64 per cent. of the entire turn-over in the cities is made by private traders. The turn-over of the State trade is only 26 per cent. In the turn-over of wholesale trade the State is naturally predominant. But the main struggle is being waged, and will continue to be waged, in the important sphere of retail trade. Yet the

success already achieved by private capital in the wholesale trade is very remarkable. In the beginning of 1923 the proportion of private capital in this branch of trade was only 10 per cent. By the end of the year it reached 30 per cent. Investigations of conditions and results show that the private trader organizes his business on more rational lines than the State. In the wholesale trade the State, despite the fact that its shops are on the average five times as big as those of private traders, succeeds in securing no higher proportion of trade per salesman than the private shop; while in the retail shops the sales made by the private trade are far higher than those of either co-operative societies or the State. This bulky organization of State trade may be due partly to the fact that the State shops are obliged to have a more elaborate system of accounting and book-keeping than private traders. But it may be partly an organic inferiority. In any case it seems to constitute a serious handicap to the State in its competition with private traders.

The political result of the crisis was a resolute determination on the part of the Bolsheviks to capture trade for the State. In order to obtain the fullest advantage from the system of State-controlled industries it was necessary in their opinion to control both the foreign and the internal market. To leave the situation as it is and to permit a strong capitalist class to flourish on trading and to stand as a middleman between the State

industries and the broad mass of consumers was obviously dangerous. This determination to fight private trade was strengthened by the rapacious character of the private traders. In 1923 the average retail prices were in the cities at least 100 per cent. above the wholesale; while in the villages they rose to 200 and 300 per cent. above them. According to some calculations which make no pretence of being exact, the entire profit made by trade, State, co-operative and private, in 1923, including the cost of transport, storage and trade expenses, amounted to 2,500 million roubles. The net profit of trade was about a half of this sum. What portion of this profit was reaped by private capital it is hard to say. But the Bolshevik economists believe the accumulation of capital in private hands is between 200 and 300 million roubles.

When, then, the Government, in the height of the economic crisis of 1923, came out with the determination to bring prices down and the small private traders who stood to lose by this drastic policy opposed it, the former was in the position to make a strong popular appeal. But, popular as this cry of capturing trade for the State was, it soon became clear that private trade had struck deep roots and that the chances of the State capturing trade were very meagre. In any case, as I have already shown, the apprehension that the Bolsheviks may revive arbitrary administrative action in the endeavour to secure a dominating

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position in trade may be dismissed as highly improbable. They obviously believe that they can achieve their object by strengthening co-operative trade. This fight for the hegemony in trade between the co-operative societies backed by the power and capital of the State and the private traders with a young and weak organization and with little capital should prove very interesting. It is, indeed, an economic experiment of a character and magnitude rare in modern history.

CHAPTER VIII

THE TRADE UNION MOVEMENT UNDER THE REVOLUTION

TO-DAY it is difficult to believe that right up to the Revolution of March, 1917, no open and official Trade Unions existed in Russia. Yet such is the indubitable fact. The Labour movement in that country, both in its political and industrial aspects, was conducted underground. The organization of the working classes for cultural and educational, as well as for purely political objects, began in the eighties of the last century. In this way small revolutionary groups arose among the proletariat. Only during strikes did real mass organization of workers come into being—and then only temporarily. It is, indeed, well worth noting that the only case in which workers' organizations were allowed and legalized was that of the unions organized by Zubatov, the head of the Moscow secret police. These "Unions of Russian workers" were established as a bulwark against revolution. The idea was

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to kill the revolutionary movement among the workers by assisting them in their struggle with their employers for better wages and better conditions. This activity of the secret police sheds an interesting light on the position of Russian Capitalism and its relations with the State. Mainly controlled by the landed gentry and the bureaucracy, the State was only concerned with preserving what were called "the pillars," that is to say, the Monarchy and the remnants of the old semi-feudal relations between landlord and peasants, and cared nothing whatever for the interests of the then insignificant capitalist class. The police believed that the only reason which prompted the workers to listen to the revolutionists was the ready help they received from them in their economic struggles. If they were once permitted openly to fight out their struggle with the capitalists, with the police not only neutral but even protecting them, it was believed that in this way they would be alienated from these enemies of the State.

At first these Zubatov Unions were successful. They enrolled tens of thousands of workers and had their clubs, libraries and meetings. The capitalists and the Liberals were naturally uneasy about this strange experiment, and tried to influence public opinion against it. But the scheme seemed so plausible to the simple police mind and enjoyed such high protection, that of the Grand Duke Serguis, the Tzar's uncle, and the Governor of Moscow, that

starting in 1901 it continued to flourish till 1905, when it was destroyed by the events of Bloody Sunday, the victims of which belonged to the St. Petersburg branch of these unions. But even after the Revolution of 1905 there was in Russia no Trade Union movement in the proper sense, although factory committees, remnants of the St. Petersburg Soviet of workers' deputies which existed during that Revolution, led a kind of subterranean existence. The Russian workers, indeed, have yet to learn the real scope and methods of Trade Unionism. They have very little understanding of the nature and limits of organized action. In their longing for proper organization they exaggerate its importance and believe that once it has been achieved they can do anything. So when the Revolution of March, 1917, gave them at last the right of openly organizing themselves in Trade Unions nothing could exceed their sanguine expectations. When in the first twenty-four hours of their existence as Trade Unionists, and in the midst of a great war, they obtained the concession of an eight-hour day, their enthusiasm and expectations knew no bounds. But while the older leaders were satisfied with the chance of using for the workers' benefit the tried Trade Union methods of arbitration, etc., the majority of workers, infected by revolutionary ideas, rejected them as treason and clamoured for direct control of industry. In the cities, indeed, "the control of industry by the workers" was as effective a

slogan in bringing about the October Revolution as "the land to the peasants" was in the villages. The Trade Unions, as is well known, played a very decisive part in this Revolution; and they did so mainly with the view of securing the control of industry. With the victory of the Revolution and the establishment of the so-called Dictatorship of the Proletariat, the position of the Russian Trade Unions became unique in the history of the movement.

The Bolshevik Revolution and the predominant position of the workers in the new State transformed at one stroke the entire status and policy of the Trade Unions, which, as it were, lost their *raison d'être*. What happened to the Russian Trade Unions between the inauguration of the Dictatorship of the Proletariat in 1918 and the introduction of the New Economic Policy in 1921 has perhaps only a historical interest. But though these events seem so artificial and so unrelated to the present time it is worth while to give at least their main outlines. "The October Revolution," says Losovsky, the head of the Third International (Moscow) Trade Union Movement, "first of all was a direct challenge to old Trade Union methods. . . . The strike had to be given up; for the class against which this weapon had been used had been defeated. The strike had become not only useless but directly harmful, not only to the strikers themselves, but to the whole working class; for by

disorganizing production it diminished the amount of goods and paralysed the machinery of economic life. In this way the October Revolution transformed the tactics of the unions. They voluntarily surrendered the weapons and the methods of struggle which they had valued so highly in the previous period. Once the strike was given up there was no necessity to accumulate strike funds. The unions devoted all their attention to production, and by its proper organization they hoped to fulfil their aim—that of increasing the welfare of the masses.”

The October Revolution had aimed at giving the workers a share in the management of industry. But soon after it had achieved victory the unions proceeded to take over the absolute control of industry. As early as January, 1918, the first all-Russian Congress of Trade Unions that met at Petrograd had propounded the theory that the Trade Unions ought not only to assume the control of industry but practically to become the State organ for running the entire economic life of the country.

The resolution actually passed, in view of the serious opposition to the proposal for immediate action, expressed only the Congress's belief that in the process of the development of the Revolution the unions would become the State organs for managing industry. Yet, though in theory a check was given to the ambition of the unions, in practice the leading

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industrial unions—the metal workers, the textile workers, the leather workers, the tailors—actually proceeded to take over their respective industries; and this, it is important to point out, not in opposition to the State but with the State's connivance. "The Central Committees of the industrial unions," says Losovsky, "actually constituted the respective State departments for controlling industries. They elected, and in certain industries became, the personnel of the State departments. So that in the end it was very difficult to distinguish between the central committee of the union of a certain industry and the State department which controlled it." The Second Congress of the Unions, which met in January, 1919, openly derided the old tradition that the unions should preserve their independence of the State, and declared them destined to become part of the State, with responsibility for the management of industry and the protection of labour. Lenin, who later, as is well known, became a strong opponent of the enlargement of the powers of the unions in the management of industry, hailed this resolution as a welcome step towards instructing the mass of the workers in the science of government and in the management of industry, spheres which were no longer to be regarded as the prerogative of a privileged minority but as the natural right of the proletariat.

The idea that the Trade Unions were destined to become the natural organ for

managing industry remained more or less orthodox doctrine until the end of 1920, when the three main tendencies in Soviet Russia at that time, the militarist, the syndicalist and the étatist, came to final grips. These were the years of the Civil War, and the unions became more and more involved in the prosecution of the war. The Trade Union leaders have often been accused of transforming the unions into recruiting centres and branches of the Commissariat of War. They don't attempt to deny this charge. On the contrary they are proud of the part they played in the Civil War and in the "Bread War." "In the most dangerous moments," says Losovsky, "the unions called for voluntary or compulsory mobilizations. Tens of thousands of their members together with their leaders went to the front in order to defend the Workers' Republic. At the same time the unions conducted the great campaign on the Food Front. In Moscow and the provinces food bureaux were established which conducted a semi-militarist and a semi-propagandist work. Tens of thousands of workers were sent from industrial centres to agricultural regions in order to impress the villages. Where commands were not effective resort was had to force."

The Third Congress of the Unions met in March, 1920, a time which marked the culmination of militant Communism. Confronted with the new situation brought about by the conscription of labour and the creation of labour armies,

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it had in the circumstances no option save to express its approval of these measures. But a reaction against both the militarization of labour and against the unions' ambition to obtain a dominating position in the management of industry began to set in.

By 1920 there was a general realization that the long-drawn-out crisis was approaching its culmination. The Trade Unions could no longer blind themselves to the fact that, despite their numbers, privileges and nominally dominant position, they were powerless as far as the management of industry was concerned. At the same time the conflicts between the factory committees and the representatives of the Supreme Economic Council increased the chaos in the factories. Lenin tried to meet this crisis by advocating "single management" in the factories. He proposed that all matters relating to production should be taken out of the hands of the factory committees and placed in those of a single State-appointed director. This proposal was adopted by the party and then, despite bitter opposition, by the Trade Unions, who now found their committees reduced to the level of shop-stewards whose main function was to protect the workers in such matters as sanitation and rations.

Single management failed, however, to effect a material improvement in the situation. In the autumn of 1920 the economic crisis and its mental accompaniment, unrest, became very acute. At first the Communist and Trade

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Union leaders tried to find a solution at private meetings. At these meetings Trotsky advocated the policy of giving the unions the supreme control of the industrial life of the country. This proposal proved so tempting to the inexperienced minds of the Trade Union leaders that it soon leaked out and caused a ferment among the rank and file. In this way Trotsky's hasty and undigested suggestion started the famous polemics on the aims of trade unionism which only died down in the spring of 1921 with the inauguration of the New Economic Policy. But while Trotsky urged the expediency of "Sovietizing" the unions a group which called itself the Workers' Opposition proclaimed the necessity of making the economic life of the country independent of the State. Industry, according to this group, ought to be divorced from the State and to be controlled entirely by independent workers' organizations. The State through its Soviets should concern itself with maintaining its frontiers, controlling the police and educating the people; while the economic life of the country should be the concern of special workers' Soviets.

This controversy, which lasted more than three months and became very embittered, produced an extraordinary impression in Russia as being the first open clash of opinion that had occurred in the Communist ranks since the Revolution. At the very outset Lenin pointed out its dangers and tried to reconcile

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the two parties. His tactics were peculiar. He began by concentrating his efforts on defeating Trotsky and then, with the latter's aid, he proceeded to crush Shliapnikov, the leader of the Workers' Opposition. He attacked Trotsky and his associates for taking it for granted that Soviet Russia was a true Workers' Republic. In such a republic the control of industry would certainly be vested in the workers and in the workers alone. But Soviet Russia, with its 80 per cent. of peasants, was not a workers' but a workers' and peasants' republic. Moreover, he reminded them of what he called "the bureaucratic perversity," by which he meant the inherent opposition of the new State officials to the interests of the workers. In these circumstances it was misleading to elaborate a policy based on the premises that the Trade Unions had no separate interests and grievances.

The subsequent controversy between Lenin and Zinoviev on the one hand and Trotsky and Bukharin on the other assumed a rather acrimonious character. But the differences between the respective leaders proved, after all, to be not so much differences of principle as differences of temperament, and so were susceptible of adjustment. The real clash of opinion and policy came when Lenin attacked the Workers' Opposition, a group which disappeared, however, without leaving any trace of its existence in the life and theory of the working classes of Russia. As is well known,

the Workers' Opposition was persecuted by the Communist Party for creating a faction and several leading members were expelled. But the extinction of the group was due probably not so much to the action taken against them by the Communist Party as to the fact that they tried to press to extreme conclusions the doctrines of Communism at the very time when the logic of events compelled its leaders to compromise. Moreover, as I have indicated, the members of this group attempted the impossible task of combining Communism with Syndicalism. This tri-lateral controversy continued right up to the convocation of the Tenth Communist Congress and was expected to be the great issue there. But though a discussion on the aims of the Trade Unions actually took place at the Congress, it was reduced to insignificance the moment Lenin introduced those modifications in the Food Policy of the Soviet State which developed into the New Economic Policy.

With the introduction of this policy the position of the Trade Unions underwent a radical transformation. The idea that the aim of the unions was to organize and to control industry, an idea that distorted and paralysed their activities for three years, was now given up. The Fourth Congress of Trade Unions, which took place in 1921, two months after the inauguration of the New Economic Policy, had to climb down and to abandon its claims to manage industry. It then proceeded to formu-

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late the aims of the movement in the old traditional fashion as that of the amelioration of the position of the workers. Yet, even after this declaration the position of the unions still remained ambiguous; and it was not until the Fifth Congress met in 1922 that their independence of the State was formally declared. How far the unions have succeeded in making this independence real it is not easy to decide. But this much at least may be said, that independence, which under militant Communism was regarded as a crime, is now the recognized position of the unions. The unions are no longer a part of the State machine; so far as the Soviet State is an employer, and the State is in fact the biggest employer in Russia, the relations between State and unions are those of contracting and sometimes of conflicting parties. This is the biggest and the most thorough-going change in the position of the unions which the introduction of the New Economic Policy has accomplished. Another considerable change for which it is responsible is the return to the principle of voluntary subscription normal in all unions. Under militant Communism enrolment of members had been compulsory and automatic. Every one who had any kind of employment was *ipso facto* a member of some Trade Union, and his subscription was paid for him by his employers without his privity. How far these and other developments have actually become operative will be more clearly seen when we

examine separately the organization, functions and every-day life of the unions.

Russian Trade Unions are organized on the principle of production. That is to say, all the employees, manual and clerical, permanently employed in any branch of industry belong to a single union which is called not a Trade Union but an Industrial or Productive Union. On this principle of production there are only twenty-three unions in Russia. They embrace the following industries and services: those of leather, medicine, sanitation, railways, posts and telegraphs, metal, sugar, municipal services, education, wood, food-stuffs, Soviet services, transport, chemical products, animal products, printing, building, water transport, clothing trade, paper, forestry and textiles. Readers will have noticed that the order of arrangement of the unions seems a little arbitrary. This is due to the fact that priority in the list is given to those unions which possess a greater percentage of paying members. According to the report made by the central council of Trade Unions to the Sixth Congress, the total actual membership of the unions is 5,546,000. But of this total only 4,233,000 or 76.3 per cent. are actually paying their subscriptions. The union of leather-workers, 99 per cent. of whom pay their subscription, accordingly heads the list; while at the very bottom figure the textile workers with only 33.8 per cent. of paying members.

To understand how it is possible for 25 per

cent. of registered union members to escape from paying their subscriptions it is necessary to remember that only two years have elapsed since the principle of voluntary enrolment in a union replaced the principle of compulsory and automatic membership. Under the old system each factory deducted the union fees for all its members; consequently quite a number of union workers had the haziest ideas of their exact connection with the union. The change to voluntarism did not at first affect the way of paying subscriptions. It was only in the present year that the central council of the Trade Unions insisted on individual payment of subscriptions as a means of promoting the political education of the workers. But even if we take the number of registered and not of paying members we see that they fail to include all the employees. The official estimate is that 90 per cent. of workers belong to the unions; but this estimate is undoubtedly too high. What the correct one is it is not easy to say; the number of workers outside the unions varies according to more unbiased sources from 15 to 20 per cent. What the official figures claim, and rightly so, is that the fall in the number of members of the unions, which was very heavy after the promulgation of the New Economic Policy, has now been arrested and that the total decrease between January 1st, 1923, and January 1st, 1924, was only 1.2 per cent.

The first point to be considered is the proportion of manual to non-manual workers.

According to official figures this proportion is somewhere in the neighbourhood of 60 to 40. Certainly, while all the workers are now registered in the same union, the distinction between manual and non-manual seems to be drawn rather loosely. In purely industrial unions the proportion of manual workers rises to 85 per cent.; but in a union like that of the Soviet employees it falls to a very insignificant level. It would be idle to try to compare the proportion of manual to non-manual workers to-day with the pre-war proportion; for then the only full statistics available were those of the industrial workers. The number of workers employed in Russian factories in 1913 were in round figures 3,000,000. In 1921 this number fell to about 1,000,000. Making the necessary correction for loss of territory and factory population, we may assume with more or less certainty that the number of industrial workers in Soviet Russia was then only 40 per cent. of the pre-war figure. To-day the number is 1,600,000, which amounts to over 60 per cent. From both the pre-war and the present number railwaymen and other transport workers are excluded. I bring these figures into comparison despite the fact that they are practically not comparable, the old ones being made partly for fiscal, partly for factory inspection purposes, the new ones being obtained from the Trade Union registers. I give them just to give some idea of the decline of industry after the Revolution and of the improvement effected

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by the New Economic Policy. According to the registers just mentioned women constitute more than 26 per cent. of the workers; while juveniles are over 3 per cent. Both classes of workers are tending to diminish.

The leadership of the union deserves some attention. The supreme leadership belongs to the Trade Union Congress, which is practically an inter-trade-union federation. In the intervals between its sessions the supreme authority is vested in the all-Russian Central Council of Trade Unions with its provincial, regional and district councils. This hierarchy of Trade Union councils now retains only the political control. The every-day life of the unions is carried on by the central committee of each separate union and its regional, district and local committees.

It is worth while to examine the occupations and party affiliations of the members of the various councils and committees of the unions. The Central Council comprises 103 members, 14 of whom constitute an inner-council—the so-called Presidium. Of the 14 members of the Presidium 13 are manual workers; of the 103 members of the Central Council 68 are manual workers and 35 non-manual workers, which in this case indicates men of a non-working class origin. All the members of the Presidium and of the Central Council are Communists. But it is noteworthy that only 35 per cent. of this select body belonged to the Communist Party before the

Revolution. Over 50 per cent. became Communists between the Revolution and 1921. The Trade Union standing of the 103 members also varies considerably. Forty-three per cent. were Trade Unionists, i.e., subterranean Trade Unionists, before the Revolution. Fifty-seven per cent. are post-revolutionary Trade Unionists. The nationality of the members of the Central Council is another interesting point. In the Presidium there are 10 Russians, 2 Jews and 2 Lets. In the Central Council there are 68 Russians, 26 Jews, 4 Lets, 1 Armenian, 1 Esthonian and 3 of undeclared nationality.

An examination of the occupation, party affiliation and nationality of the members of the central committees of the unions and their provincial branches reveals the following facts. That 68 per cent. are manual workers and 32 per cent. non-manual workers, that 93 per cent. are Communists and 7 per cent. belong to no party, and that 65 per cent. are Russians, 15 per cent. Jews, 5 per cent. Ukrainians, 3 per cent. White Russians, and the rest a miscellaneous collection of Lets, Khirgizians, Armenians, Georgians, Turks, Tartars and Esthonians.

The figures relating to the age and education of union officials may prove interesting. Only 3.5 per cent. of the Trade Union leaders are under 23 years, 69.9 are between 23 and 35 years, 24.5 per cent. are between 35 and 45 years, and only 1.8 per cent. are over 45 years. Seventy-seven per cent. have received only a rudimentary education, 19 have received a

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secondary school education, and 4 per cent. are University men.

The funds of the unions should in principle be derived solely from the subscriptions of the members, which in every case represent 2 per cent. of the wages earned. But, as a matter of fact, many of the unions cannot subsist on subscriptions alone, and out of the 22 unions only 5 possess surplus funds, 13 manage to make both ends meet, and 5 have a permanent deficit. The expenditure of the central committees is an interesting study. Most of the money, 71 per cent., goes to pay officials and administrative expenses. Organization costs 13 per cent. The rest is absorbed by affiliation fees to the Central Council and by subsidies to branches which cannot pay their way.

The modification of the Trade Union attitude towards industrial disputes is the most revolutionary of all the changes effected in the Russian Labour movement by the New Economic Policy. The Fifth Congress of Trade Unions laid down the principle that the business of the unions is to prevent strikes arising in State factories. This means that in the case of actual disputes the unions, while giving the fullest support to the workers, must at the same time not lose sight of the interests of production and must therefore in every case devote their energy to making clear to the workers their indissoluble connection with the State industries. The theory was that in State factories there could be no place for class war; there

could only be a fight against a bad manager. This theory was and is being furiously attacked in the organs of the Mensheviks, which, comparing them with Yellow, Nationalist and Fascist Unions, accuse them of abandoning the class war, and of following in the steps of Zubatov. These charges of lack of revolutionary ardour among the Bolsheviks must strike the reader as being rather quaint. Yet I cannot help thinking that the advice tendered to the workers by the Fifth Congress was not only ambiguous and startling but typically Machiavellian.

It is obviously impossible at the same time to protect the workers against exploitation by the State and to justify the State for indulging in such exploitation. This sort of equivocation could indeed only find expression in a society which still clings to the fiction that the Soviet State is a workers' republic. Yet in the end these new tactics, which seem to infringe revolutionary doctrine, may tend to exercise a salutary effect on the industrial situation. The Russian workers are so very temperamental, so easily led away and so class-conscious, that anything which is likely to instruct them in a knowledge of the importance of the common interest may not be without its historical value. This acquiescence in a policy of substituting co-operation for class war may obviously tend in a measure to reduce class-consciousness; but it will certainly increase the Russian workers' sense of citizenship. What Russia needs more than anything in my opinion is the

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transformation of its amorphous mass of undisciplined and easily revolting subjects into true citizens.

The concentration of the unions on the prevention of strikes has compelled them gradually to build up a complex machinery of arbitration. The basis of this system is a so-called "Conflict Commission" set up in every factory, which contains representatives of both employers and employees. These commissions, which are closely in touch with the workers, are able to nip, as it were, any dispute in the bud, and may be called courts of first instance. If, however, the dispute proves too serious to be settled by them, courts of second instance can be invoked, of which there are two, one a purely Trade Union "Chamber of Conciliation," the other a joint "Arbitration Court." Higher still ranks "the Labour Court," a State court established by the Commissariat of Labour. Cases of injury to life or limb go naturally to "the Labour Court"; but most disputes prove capable of settlement in the "Chambers of Conciliation." In 1923 the unions settled over 13,000 disputes, in which 226,000 workers were concerned. Most of them arose through delay in the payment of wages, which it must be remembered, owing to the permanent fall of the rouble, involved a considerable diminution of the workers' income. Needless to say, most of the disputes in all these courts are settled in favour of labour. But even the unions and arbitration courts have

had to decide in 20 per cent. of cases against labour.

But, despite all the efforts of the machinery of arbitration, some disputes have not proved susceptible of settlement, and the workers have been compelled to have recourse to strikes. In fact strikes have taken place not only in private industries but in factories managed by the State. According to official figures there were 446 strikers in State factories in 1922 and 381 in 1923. The number of strikers were 192,000 and 165,000 respectively; and the length of the strikes was 3.1 days in 1922 and 2.2 days in 1923. Most of these strikes arose spontaneously among the workers without authorization by and in many cases against the wishes of the union officials, which only shows that a situation arose in which the theory of the inherent harmony between workers and the "Workers' State" under the Soviet system broke down. The presumption of the unions that a strike was only the result of the "bureaucratic perversity" of the manager has obviously become increasingly untenable.

The attitude of the unions towards strikes in private industries was at first radically different from that with which they regarded strikes in State-run industries. In the former case they were considered admissible, but only after the machinery of arbitration had been used to no purpose. There were 99 such strikes in 1922 and 135 strikes in 1923. The strikes in 1922 lasted 3.9 days; in 1923 they lasted 5.5 days.

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It is worth observing that this last figure 5.5 days represents exactly the average length of strikes in pre-revolutionary times. The causes of strikes in private industries were naturally different from those which provoked disputes in the State-run factories. Here over 50 per cent. were concerned not with wages or delays in their payment but with conditions of labour and the legal status of factory committees and so forth. The unions, as a general rule, never lost an opportunity of taking over the leadership of such strikes and thereby of demonstrating to the workers the class antagonism between labour and private capital. This was the situation up to quite recently, when it became increasingly clear that a double system of meeting industrial disputes was inapplicable. The result has been more and more to assimilate the treatment of private industries in such disputes to that of State-run factories.

Still more clearly has this necessity of uniform treatment of State and private industries been recognized in the question of a wage policy. Naturally the leased or private industries, which worked directly for the market, could afford to pay higher wages, and used such wages as a bait to attract labour. The unions at first took advantage of this situation and encouraged the workers to squeeze the last penny from their employers. But this policy had to be given up for two reasons. Firstly, it became clear that private industries

would have to close down if compelled to pay wages above the economic level. Secondly—and this was probably the more cogent reason—it was obvious that a too great disparity between the wages paid by the State and those paid by private employers would in the end endanger the stability of the State industries. At the present time, therefore, the standard of living is practically the same for workers in State industries and for those run by private enterprise. Wages are still lower in State than in leased or private industries; but State employers are compensated by being given special privileges which private enterprise cannot bestow.

But this division of the proletariat into State and privately employed workers is not the only cause of the variation in wages. It is obvious that a principle of uniformity can hardly be consistently applied in a country in which some industries, such as the smaller ones which cater for immediate necessities, are paying their way, and in which others, the "heavy" ones, are being run at a loss. In June, 1924, for instance, a printer got 45 roubles a month, while a miner could barely get 18. The unions have been trying for the last year to remedy this disparity; but so far with meagre success. This is not at all surprising; for resolutions and decrees are equally powerless in the face of hard economic facts. The most determined effort to standardize and to stabilize wages must fail as long as some of the most important industries

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cannot pay their way and can only manage to subsist by means of subsidies. How, for instance, can one expect that the wages of a railwayman can be as high as those of a boot-maker, when the railways are being run on a deficit and boot factories are working at a profit? Only with the development of the productive forces of the country and the enlarged circulation of goods—only with a general increase of prosperity can such conditions arise as will secure a standardization and stabilization of wages.

What the wages paid to-day are in comparison with those of pre-war times it is impossible to state exactly. It is by no means easy, I conceive, to compare scales of wages appertaining to different periods in any country. The stating of the mere fact of a monetary increase or decrease is of little value. Only a comparative study of the rise or fall in the standard of living of wage-earners and other groups of the community can settle this point. If the workers' standard of living keeps pace with the increase of general prosperity then we can say that their wages have increased. If this standard fails to keep pace with this increase then we are bound to conclude that a decline in wages has taken place.

Having made this almost unavoidable digression, I may say that a comparison of the wages of to-day with those of pre-war time is rendered still more difficult in the case of Russia by the fact that in that country the

relationship between different groups and classes has changed almost out of all recognition. It is not only that the workers have acquired privileges of a purely political kind and that their class-antagonists, the capitalists, have been deprived of political predominance. It is not only that the working class is now organized and exercises a direct influence on the government. But, apart from these tremendous changes in the political position, the economic position of the workers has been essentially transformed. The mere fact that they have moved from the slums to the houses of the middle-classes, which they occupy at a merely nominal rent of a few kopeks, will give some idea of this transformation.¹ There can be no question that the standard of living of all classes has been lowered since the outbreak of the war. But in this general lowering the standard of living of the working class, low as it is to-day, has not fallen to the level justified by the general economic situation. This will be apparent when I state that the average monetary wages of workers in Soviet Russia

¹ Some idea of the appalling conditions in which the urban workers lived in Tzarist times can be gathered from the report presented by the commission of inquiry appointed in 1907 by the Imperial Russian Technical Society of St. Petersburg. The report says: "The unmarried textile worker occupies in the overwhelming majority of cases the minimum lodging of half a sleeping-shelf and never aspires to the luxury of a room. Less than 50 per cent. of married people occupy a room. More than 50 per cent. dwell in kitchens, corners, half-rooms, sleeping-shelves and even half sleeping-shelves."

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are 60 per cent. of the average wages of pre-war times.

That these wages represent a lowering of the workers' standard of living goes without saying. But the extent of this lowering is not directly reflected in the figures of the monetary wages. In the first place the workers benefit by receiving certain insurances and public services for which the employers, whether in State or private undertakings, have to pay. These insurances against illness, old age and unemployment and these provisions for education may be said to add 15 per cent. to the workers' wages. Housing again which in a budget of pre-war times would absorb from 7 to 10 per cent. of a worker's earnings now costs him practically nothing.

To compare what a worker spends now on food and clothing with what he spent on these articles before the war, and to discover to what extent he is worse fed and worse clad is, I think, in view of the paucity of information, almost impossible. The bases of calculation are so various and therefore so misleading that any attempt to give a complete answer to such questions would savour of propaganda one way or another. There are only two things which can be said for certain. One is that the wages of the workers to-day have distinctly improved, not only in comparison with what they were under militant Communism, but also in comparison with what they were one or two years ago. The other—and here I give my own

personal impression—is that the workers on the whole are very much better off than their neighbours, the middle-class. With the exception of a thin upper stratum of the bureaucracy and a small but predatory class of bourgeois speculators the only class in Russia outside the villages that feels itself solidly established is the working class.

The question of the workers' ability to maintain this privileged position depends on forces too various and too many to be foreseen at this juncture. Since, however, a class is not likely to surrender without a struggle a position of advantage which it has captured with difficulty, it is conceivable that the Russian workers may be able to keep quite a number of the privileges which they have acquired since the Revolution. Yet, with the greater development of capitalist production in Russia, the standard of wages is bound in the end to be fixed by the ratio of productivity, as it is in any other country. The ratio of productivity is, after all, the only objective and scientific way of settling the standard of wages. In this respect, I think, the real wages paid the workers in Soviet Russia are, if anything, higher than they should be. In making this statement I take, I admit, a rather pessimistic view of the standard of productivity in Russia to-day. But this view, I maintain, is fully borne out by a comparison of Russian productivity to-day with that of pre-war times.

A simple comparison of the daily produc-

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tivity of a worker of 1924 with one of 1914 cannot be made scientifically correct. A Russian worker of to-day is working with worn-out machinery, with an inferior kind of raw material, and with diminished skill and experience. Consequently the same degree of intensification of labour cannot be expected to yield the same results as ten years earlier. But as far as wages are concerned it is not the theoretical or real intensification of labour that matters but the actual output. In this respect a comparison of pre-war and present-day output is permissible. To illustrate the variation of output I shall quote official figures which, while possibly not sufficiently exact, are roughly speaking approximate. Taking pre-war productivity as 100, productivity in 1920 fell as low as 28. In 1922 it rose to 51 and in 1923-24 it rose to 57. In other words average productivity has decreased nearly 50 per cent. When this fact is taken into consideration, and it is remembered that Russian wages to-day approximate to 60 per cent. of the pre-war level, it will be recognized that wages have now reached their maximum and can only be increased by a considerable intensification of productivity.

The Russian worker of to-day is once more a wage earner, and his fate is indissolubly bound up with the development of the productive forces of the country. The improvements of the workers' lot which can be effected by direct political action, as recent Russian

history has sufficiently proved, can only be of a temporary and ephemeral character. The slow process of economic development is the only effective way of raising their standard of living. What part the present political predominance of the working class will play in this development is a question which the statesman and economist will find it fascinating to study.

PART III

THE PEASANTS AND THE STATE

CHAPTER IX

THE PEASANTS UNDER THREE REVOLUTIONS

IT is remarkable how few persons in the West seem to possess any true idea of Russia. Even those who have read about Russia in travel books, who know Russia in her literature, who admire Russian art and who believe that Russian music conveys to them something of the immensity of the Russian steppes—even these people appear to have only the haziest notion of the real Russia. The scale and magnitude of the contradictory reports which have obtained currency in the last few years is probably due in the main to the fact that ignorance is so colossal that the imagination goes uncontrolled. But in this profound ignorance of Russia as a whole Western ignorance of the hungry, unwashed, uncultured and snow-bound Russian peasants deserves to be called amazing.

Yet the pretention to understand Russia without at least making an attempt to comprehend the development, however amorphous, of the creative forces of the Russian village is the vainest of dreams; for the future

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of Russia like the past is inextricably bound up with the development of these forces. The three revolutions through which Russia has passed in the twenty-four years of the present century were all hatched in the villages; and to-day forces which are active in these two million Russian communes are slowly but surely preparing a new departure in Russian history. Indeed, if we take modern Russian history, it will be easy to show that in the last resort all reforms have had their origin in and have been fostered by developments in Russian agriculture. Progress, indeed, in Russia can be expressed in terms of grain. Poverty or wealth, reaction or progress, cultural advance or decline—all these are closely bound up on the one hand with what the peasants produce, and on the other with what the State exports.

The period of the sixties, for instance, the period of the so-called great reforms, divides modern from feudal Russia. The fact that the abolition of Russian serfdom came centuries late has been explained in various ways; but the real reasons for this delay were purely economic. The feudal system was competent enough to produce enough grain for the internal market. Up to the fifties there was neither incentive nor demand for increased productivity. It is important to note that the repeal of the English Corn Laws in 1847 and the bad European harvest of 1851 were milestones in the history of Russian agriculture. Russian

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grain was now welcomed in the European market. The fact that Russian export of grain increased 300 per cent. in a few years' time was the driving power behind the demand for emancipation. It became clear to the more enlightened and travelled Russians that the existing system of forced labour would never enable Russia to seize the glorious opportunity now within her grasp of becoming the granary of Europe.

I must naturally refrain from any attempt to describe the forces and motives that were responsible for emancipation or the protracted and circuitous path that was taken to it. But the results of emancipation it is incumbent on me to summarize; for the entire scope and character of Russian history since emancipation, the people's poverty, the wars and the revolutions, were determined by the fact that emancipation came too late and that when it came it was lacking in thoroughness and consistency. Indeed the peculiar nature of the struggles for freedom and even the psychology of the Russian people cannot be properly understood unless the results of emancipation are thoroughly grasped.

It was the bureaucracy that emancipated the Russian peasants, and that is why emancipation, which neither created a strong landlords' agriculture nor a prosperous race of peasant proprietors, failed to achieve its main object. I must omit from my survey any consideration of the landlords' case; for in the

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circumstances it possesses only an historical interest. Their disappearance, however, is the most complete and comprehensive of all the achievements of the Revolution. In a sense it represents the decisive fact of the Revolution. In a retrospect of this long struggle, it seems clear that the suppressed forces which finally discharged and liberated themselves in a series of violent revolutions were latent in emancipation. The peasants were not given enough land to live on. They had to pay exorbitant prices for the little they received. And thirdly, their progress from serfdom to freedom was too protracted to secure a peaceful development of the land question. Even their status of servitude was only partially changed. Assured of their personal freedom as they were, they continued to be under obligations to the landlords and were still condemned to the old forms of vassalage, to the performance of *barstchina* (work for the master) and the payment of *obrok* (a levy on goods or money). This period of so-called "temporarily obligatory status" only came to an end in 1881, when a ukase compelled the landlords to cancel it and to take in exchange government stock.

But even subsequently the peasants remained bondmen in many ways. They held a peculiar social, political and juridical position and remained, in Count Witte's phrase, "not persons but half persons." "They were treated," says the Count, "like children who

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must be looked after in every respect save their stomachs. Most children had to be fed; the peasant was a child *sui generis*; he had to feed the State instead." The gravest economic problem of post emancipation times was the peasants' land-hunger, which for fifty years was the driving force behind their many revolts. Certainly this lack of land was only relative. Per head of the population Russia possesses almost as much land as Canada and the United States, the two richest countries in the world in this respect. But after all the economic position of a cultivator depends not solely on the area he possesses but on the produce he can obtain from it. The more intensive the cultivation the less the area required for the sustenance of the peasant. But the backward and primitive conditions under which agriculture was carried on in Russia made the question of the area of the holding of paramount importance. In Russia the lack of land was no theoretical grievance; it was a very real and desperate problem. Sometimes this land hunger was lessened by internal migration, by renting land and buying it; but on the whole it became more and more acute owing to the fact that, while the technique of the peasant agriculture remained stable, the peasant population increased.

It is part of the irony of events that the peasants' land hunger which was the fundamental cause of the agrarian revolution was the offspring of emancipation. It was created by it, when the peasants were compelled to

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purchase their freedom, not only by the payment of exorbitant redemption dues, but by the surrender of one-fifth of the land they had cultivated under serfdom. These cut-off pieces of land were called *otreski*, and for about fifty years their return to the peasants constituted the main plank in the platform of all the political parties from that of the Liberals to that of the Social Democrats. Unfortunately the nobility could never be persuaded of the necessity of giving back these cut-off pieces—even the Revolution of 1905 left them unmoved.

The land hunger of the peasants was still further increased by the fact that as peasant proprietors with holdings of their own they had now become subject to taxation. This burden of taxation soon became intolerable; for it included a direct tax due to the State and Commune, the payment of redemption dues, and the payment of rent. This over-taxation inevitably led to a return to a system of semi-servitude, which with the termination of "temporarily obligatory status" took the form of so-called *otrobotki*, that is a system of working off rent, fines and debts by putting in extra work on the landlord's estate. That this system was in the highest degree wasteful and operated to the disadvantage of the landlords themselves goes without saying. The backwardness of Russian agriculture has indeed its roots in the combined ignorance and rapacity of the landlords. The system which

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replaced servitude was in many of its aspects a repetition and a variation of servitude; and its effects were nearly the same. The methods and productivity of agriculture remained nearly as primitive and backward as before.

Another factor in the progressive impoverishment of the peasants was the retention of the bondage of the peasants to the Mir (the village commune), an institution which for fifty years had been idealized in Russian literature, and which only late in the day was discovered to be responsible for the backwardness and unproductivity of the peasants' agriculture. Toward the end of the nineties the evil effects of the Mir became apparent. It was seen that it was one of the most powerful brakes on the development of the productive forces of the country. By keeping the surplus population in the villages and forcing an equal distribution of holdings the Mir was primarily responsible for the diminution of the area of individual allotments. Moreover, by maintaining the illusion of communal ownership of land, it was responsible for the low standard of the peasants' agriculture. Under such a system, indeed, the peasant could find no sufficient impulse towards anything like intensive cultivation of the soil; for his well-ploughed and carefully manured holding might be taken from him at the next division of land. The situation under which the standard and pace of Russian agriculture was set by the laziest man in the village was obviously due to the Mir.

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But the peasants were not only harnessed to the soil, they were bound to the Mir even in the methods of tilling it. The primitive character of Russian agriculture, with its "three-field system," its restriction to a uniform method of cultivation, and its rigid allotment to each peasant of an equal proportion of good, bad and indifferent strips of land, was a logical result of this strange communal ownership. It is difficult to say which of these three restrictions imposed the greatest handicap on a progressive development of agriculture.

The "three-field system" was one under which the peasant was allowed to sow two fields, one with rye and wheat, the other with oats and barley, and to leave the third a pasture land. This system hampered the peasant in two ways. It obliged him to keep to a very narrow rotation of crops and to an exhausting cultivation; while it was also responsible for the very slight development of grass lands and for the inability to keep sufficient cattle. At the same time the using of the third field as pasture instead of keeping it fallow provided but indifferent fodder and was in the highest degree prejudicial to the normal restoration of its fertility. The custom was to graze the cattle on this third field till actual sowing time. Ploughing, which was always a pure surface scratching in Russia, became still more defective when it almost immediately preceded sowing. The seasons for all these agricultural operations were

decreed by the Mir in deference to a rigid inveterate tradition; and no peasant, however industrious and enterprising, dared to introduce any change. This rigid conformance to tradition was, after all, perfectly natural in the circumstances; for the only salvation of village agriculture under the notorious "strip" system was the simultaneous engagement of all the peasants in the same kind of work.

With the increase of population the evils of the system became intolerable. In the forty years that succeeded emancipation the peasant population nearly doubled, increasing from 45 to 85 million; while the area of land belonging to the peasants increased only one-fifth, from 116 million dessiatines to 140. While the average holding received by the peasants after emancipation was too small to support him and his family it now became scandalously inadequate. In proof of this statement I need only furnish the following figures. In 1861 the average holding was 4·8 dessiatines; in 1880 it had diminished to 3·5 dessiatines; while in 1900 it had shrunk to 2·6 and was gravitating to the level of the "beggar-holding."

But to give the area of the average holding leaves unexpressed the full tragedy of the situation. In those districts in which the peasants received the minimum or even the "beggar-holding" their allotments became so attenuated that how they managed merely to exist must always remain something of a mystery. But

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there is a more direct way of presenting the situation. The actual shortage of food among the peasants can be gathered from the following figures which represent the situation in the nineties. Peasants producing surplus grain for themselves and surplus fodder for their cattle constituted only 8.9 per cent. Those producing enough grain for their own consumption but not enough fodder for their cattle was 20.4 per cent. The rest, i.e., 70.7 per cent., had not enough fodder for their cattle and produced only the subsistence minimum for themselves.

How then did the peasants contrive to live during this period of progressive impoverishment? The investigations conducted by the Zemstvos supply ample material for making an analysis of the peasant budget. Between 1895 and 1897 the most elaborate inquiries were made with the most depressing results. The appalling fact was revealed that the average annual income of a peasant, including his industrial earnings and what he got from the soil, was as little as 55 roubles. It is remarkable too that this average was nearly constant; for the minimum was 52 and the maximum 58. This income of less than £6 a year was so desperately meagre that it allowed only the barest existence and left practically nothing even for household improvements. On these the peasant could spend less than 6 roubles (i.e., 12s.). He paid 18 roubles for rent and taxes, the remaining 31

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roubles representing the expenditure for food, clothing, housing and forage.

That the peasants made some attempt to satisfy their land-hunger by buying land goes without saying. But, as I have already mentioned, their acquisition of land failed to keep pace with their increase in numbers. Consequently buying of land in the open market, even with the help of the specially established Peasants' State Bank, could not solve the land question in Russia. What it effected was the deepening and the increase of differentiation of social and economic status in the village.

The development of Russian agriculture, which seemed so promising in the sixties, certainly received no acceleration from emancipation. Only by slow, painful and wasteful steps could agriculture accumulate enough strength to overcome the paralysing influences of fuedal mentality and primitive methods. It only gathered this strength when new men and new methods had replaced some of the more hide-bound landlords of the old school, and when differentiation in the villages had increased the impatience and impetuosity of the more enterprising peasants.

It is extremely interesting to find that the next and the most decisive stage in the development of Russian agriculture was again brought about by the Russian grain market. The new capitalist cultivation started in the nineties, and the stimulus came from the

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increased price fetched for grain and from the increased demand for Russian grain in the world market. In the nineties the Russian grain export increased by 30 per cent.; while in 1911 Russia reached the premier position as a grain exporting land, over 800 million poods leaving the country.

From the moment, however, that the tendency to increase the landowners' agriculture crystallized, the position of the peasants became more acute and assumed a new aspect. So far, through all these years, they had managed somehow to exist by renting land. However feudal and ruthless their exploitation had been, it had left them the means of subsistence. The new system, in depriving them of the power to rent land, drove them from their last refuge. The series of peasant revolts which inaugurated the new century and which led directly to the Revolution of 1905 were caused indubitably by the growing scarcity of rentable land. The first effect of the introduction of capitalist methods of cultivating the soil was the rapid disappearance of "otrobotki." The new landowners, possessing capital and enterprise, had no use for this wasteful and unproductive system. They preferred an economic monetary rent. In the nineties only one-seventh of the whole rent of the land was paid in "otrobotki"; six-sevenths were paid in money. This system obviously favoured the better situated peasants and proved detrimental to the poorer, who were

compelled to offer themselves in increasing numbers as farm-labourers.

I must refrain from describing the process of differentiation in the villages. It will suffice to note that all indications go to prove that the capitalist development proceeded far enough to break up the homogeneous village into groups of rich, poor and prosperous peasants. Yet it is now obvious that at the time some economists and some politicians greatly exaggerated the degree and thoroughness of this differentiation. Lenin, for instance, overestimated the antagonisms in the village and greatly underestimated the peasants' sense of unity as a class. His belief that the poor peasants were bound to develop a psychology similar to that of the urban proletariat and that they therefore would readily respond to the call for a class war coloured all his revolutionary activities in 1917 and 1918 and was responsible for some of his gravest misjudgments.

The situation which arose from the cultivation of the big estates on a more rational basis and from the evolution of a more comfortable and more enterprising class of small-holders was obviously favourable to a progressive development of agriculture in Russia. But the overwhelming majority of the peasants were unfortunately so poor and so weak and unorganized that they could take no part in this development and were obliged, indeed, to depend entirely on the elements for their subsistence. Their situation was toler-

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able when the harvest was good, insupportable when it was bad. The result being that in the normal cycle of Russian agriculture they were reduced to the starvation point every fourth year. In general it may be said that the process of pauperization among them went on unabated.

The figures furnished by the reports of the Imperial Commission appointed for the purpose of investigating Russian agricultural conditions show that, whereas between 1870 and 1900 the numbers of the peasants increased 56.9 per cent., the area of land belonging to them increased only 20, and the number of cattle only 9.5 per cent. The area they cultivated was able to support only two-thirds of them. There were, in fact, at least 30 per cent. of peasants who had nothing to do. The economic stress coupled with the increase in the number of the landless had the natural effect of making the peasants more susceptible than they had hitherto been to the propaganda of the revolutionists.

The peasants played no showy part in the revolutionary movement; though they doubtless gave it an impetus it would not otherwise have received. But they were not really active until the summer of 1905, when they swept over the country like a whirlwind, robbing the landlords of their grain and burning down their country houses. The revolts of 1905 differed in many respects from those of 1902. At this latter time the peasants were no longer satisfied

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with bringing about a "just" division of produce with the landlords; they wanted to get rid of them altogether. Then they were ready enough to loot the landlords' granaries, but only as a means of satisfying their immediate needs. Their main concern now was to adopt such tactics as would effectually prevent the landlords from ever returning to their estates. They therefore destroyed and burnt down houses and barns and the more complicated machinery, drove off the cattle, and carried away such implements and grain as they could themselves use. If they refrained from murdering the landlords, it was only because the latter had already fled. No distinction was made between landlords notoriously rapacious or landlords well-known for their liberal and Zemstvo activities. All were robbed impartially; and along with country houses and out-buildings, valuable libraries and works of art perished in the flames. In 1905 no less than 2,000 estates were looted and ravaged in this way.

It is matter of common knowledge that the most effective and dramatic part in the Revolution of 1905 was played by the urban population. It was, indeed, the general upheaval of all classes in the towns and the colossal and general strike of all the trades and professions in October that won the victory for the Revolution. On the other hand the peasants' revolts, while they alarmed the Government, failed to intimidate it. The peasants were too

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scattered and too loosely organized to form an immediate danger. Nevertheless, in one respect the importance of their revolts cannot be exaggerated. The peasants' watchword, "the land for the peasants," made a more intimate and immediate appeal to the soldiers than the urban workers' demand for freedom. The Government, indeed, could not fail to notice that, while the soldiers stationed in the towns made no scruple about shooting down the workers on strike, they had to be very carefully used in the suppression of peasant revolts. Moreover, in the provinces many soldiers openly proclaimed their sympathy with the peasants' aspirations. Some units even sent delegates to the peasants' meetings. In view, then, of its infection of the army with revolutionary sympathies it may safely be said that the awakening of the peasants, chaotic and unco-ordinated as it was, precipitated the decision of the Government to surrender to the nation.

Their alternation of concession and repression and their inability to make the right kind of concession shows clearly that at this time the Ministers were acting in sheer panic. In November, 1905, while they had some hope that the revolutionary movement started by the workers and patronized by the Liberals would collapse, they were really frightened by the character and extent of the revolt in the villages.

"The most serious danger of the Russian

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Revolution of 1905," says Count Witte, Prime Minister at that time, "arose not from the factory, railway, and other strikes, but from the peasants' cry 'Give us the land. It has to be ours; for we have worked on it,' and from their proceeding to get the land by force." Witte, in fact, states that with the increase in strength of the peasant revolt many landlords and courtiers lost their heads. They began to urge on the Government the immediate necessity of conceding the peasants' demands for the land. Several projects indeed, dictated rather by panic than by statesmanship, were circulated in the highest government quarters providing for hasty and far reaching concessions to the peasants. Yet, when the wave of revolution subsided, the nobles recovered their equanimity and began again to comfort themselves with the old idea that the peasants were at heart loyal supporters of the existing regime. How little the governing classes understood the peasants' mood is seen from the fact that even the shrewdest of their number believed that a peasant majority in the Duma would support the Government's agrarian programme, a programme based on the inviolability of the landlords' estates and the allotting to the peasants of part of the State and Church domains.

It is no part of my scheme to describe the measures which the Government adopted to defeat the agrarian revolt. Suffice it to say that, effective as Stolypin's reprisals were as mere acts of terrorism, they were so ruthless and indis-

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criminating that they sowed the seeds of a bitter and fruitful hatred. But, though Stolypin has gained an unenviable distinction by his ferocity, he will be remembered in history not only for his crushing of the Revolution of 1905, but for his efforts at creative statesmanship. Stolypin failed, of course, to solve the agrarian problem. But the reform connected with his name undoubtedly constitutes the biggest change made in village life since the Emancipation Act of 1861. This will be readily understood when I state that Stolypin's reform aimed at and partly succeeded in destroying the Mir and in considerably enlarging the class of peasant proprietors.

It cannot be claimed for Stolypin that he was the originator of this idea, which had been indeed the subject of innumerable discussions in Government and, strangely enough, in Marxian circles. But it can be said that he was the first to make this notion of dissolving the Mir a question of practical politics, and that by so doing he succeeded very adroitly in turning the tables on the revolutionists. While the peasants, with the sympathy of the majority of the nation, were clamouring for the expropriation of the landowners, Stolypin held out to them the tempting prospect of themselves becoming landowners. His original proposals are embodied in a ukase promulgated by the Tzar on November 9th, 1906, in which the peasants are declared free to denounce their allegiance to the Mir and

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so to obtain full property rights in their holdings.

Stolypin's reform certainly split the unity of the peasants. Up to this time, in spite of differentiation, the peasants as a class, without distinction of poor and rich, had been united by their longing for the land. They had one enemy, as it were, in the landlord. Stolypin destroyed this unity by setting the interest of one group against that of another. Under his scheme some of the peasants could obtain the additional land they wanted by buying it from their neighbours; while others, whose small holdings were only a burden to them, could get rid of them and obtain ready cash. Stolypin undoubtedly made a success of his scheme: he damped down the revolutionary impetus among the peasants.

In 1910 nearly one and a half million of peasant households left the Mir and acquired property rights in their holdings. That is to say, nearly 7,000,000 people and nearly 12,000,000 dessiatines of land were liberated from the control of the Mir. This was undoubtedly an achievement. But a more detailed analysis reveals the fact that the dissolution of the Mir was in the circumstances of the case not an entirely progressive scheme. It indeed possessed many defects. It certainly shifted the point of interest in the agrarian question; but it failed to solve the main problem, that of satisfying the peasant's need for land. Moreover, not all the peasants who

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broke away from the Mir could start a more progressive agriculture. At least 10 per cent. of them simply sold their holdings and left the village. The rest had neither sufficient land nor the necessary capital to take advantage of the new conditions. In fact, as far as Stolypin's scheme was intended as a means of converting the Russian peasants into farmers, it proved a failure. Of all the peasants who left the Mir only 4 per cent. contrived to break away from the village and to start farming, unhampered by the strip system and the backward traditions of Russian agriculture.

It has been proved that the possession of at least twelve dessiatines was needed to enable a peasant to become a farmer. Even this scanty success in transforming the village into individual farms was only to be witnessed in Lithuania and other border provinces, where there already existed a tendency towards individual cultivation. Stolypin himself understood that a dissolution of the Mir which was unaccompanied by a progressive agricultural technique could not seriously improve the economic position of the peasants. He made, therefore, every effort to assist them to become farmers by selling them on easy terms the land which the State Banks had bought from the landlords. But, despite all the privileges he conferred on those exponents of his pet scheme, individual farming was never vigorous enough radically to influence Russian agriculture.

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Stolypin then did not succeed in solving the agrarian problem. His plan only accentuated it by accelerating the process of differentiation in the villages. It raised the economic position of one-fifth of the peasants and ignored the sufferings and needs of the other four-fifths. His idea of introducing into Russia a capitalist form of agriculture had certainly a progressive and a European aspect. But this aspect was in all essentials deceptive. The State and its tradition of exploiting the peasants continued as in all Russian history to be prevaillingly Asiatic.

The peasant remained not a citizen but a servant of the State. The State in Russia, it must be remembered, was not and is not a commonwealth; it exists for itself, for some higher principle difficult to comprehend. The peasant never escapes from his burden: the State only lifts it a little from him when he is obviously succumbing to the load. The subject in the Russian State is a particle in a colossal scheme, and his human characteristics are never taken into consideration. Any attempt to make himself more important in this scheme is at once suppressed. The highest principle is the good of the State and not the happiness of the people. And what is still worse, the good of the State is an aim which can only be achieved by police measures.

Even Stolypin, who in contradistinction to other Russian Ministers we must call

a statesman, was guided primarily by considerations of police. The question of the retention or dissolution of the Mir was decided not on the merits of the case but from the point of view of whether it helped or rendered difficult the police supervision of the peasants. For fifty years the Mir had been considered useful from the administrative and police standpoint. It was therefore kept alive; though it clearly hampered the development of the productive forces of the country. But the moment its dissolution seemed likely to be of political advantage to the autocracy, the governing classes frivolously abandoned all their old prejudices in favour of it, with an utter disregard of the actual effect of dissolution on the position of the peasants. This indifference of the Government to the vital interests of the peasants is proved by the fact that, while Stolypin released them from their bondage to the Mir, he failed to emancipate them from the invidious status of a lower and supervised order.

The Revolution of 1905 and Stolypin's agrarian reform were a real step forward in the abolition of the feudal relations of the peasants to the land; but the remnants of feudalism surviving in the relations of the peasants to the State they left to a great extent untouched. The peasant was now free from bondage to the land. He could stay in the village or leave it at his pleasure; he could continue to cultivate the soil or cease tillage; he was now even free to buy more land and to start a more remuner-

ative form of farming. But the new freedom remained illusory as far as 80 per cent. of the peasants were concerned; for they were too poor to use the new privileges and still remained bondmen in a political sense. Even after 1905 the Russian peasant remained the object and not the subject of the State, the tool of the State and not a citizen.

It took another ten years of economic development, the convulsion of a great world war, and the forces released by the great revolution of 1917 to create the preliminaries for the transformation of the Russian peasant into a Russian citizen. The second Revolution, that great national upheaval of February, 1917 which led to the overthrow of the monarchy, was in its turn the result of the agrarian revolution. It is remarkable how little the agrarian character of this great Revolution has been realized; and yet all its stages from the very beginning were closely connected with the food and the agrarian situation. The Revolution began with a conflict between the Government and the people over the measures required to meet the diminishing food supplies. The *raison d'être*—as it were—of the Provisional Government was the necessity of solving the food situation; and the fall of this government was due to its failure to cope with the agrarian problem.

The agrarian character of the 1917 Revolution was at first screened from general consciousness by the prominence of the other

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factors, those relating to the workers and to the army. The villages seemed quiescent; while the spokesmen of the workers and of the soldiers absorbed all the attention. Though not a single public man doubted that a solution of the agrarian problem formed an integral part of the Revolution, and could not be shelved, the general idea was that this question could wait till the termination of the war and that its solution had better be left to the Constituent Assembly. The First Provisional Government failed accordingly to frame any agrarian policy whatever. The Second Government, the Coalition between the Bourgeois parties and the Socialists, organized Land Committees to take a general census of agricultural property, and appealed to the peasants to wait till the Constituent Assembly was conyoked. The only direct agricultural measure it passed was one prohibiting the sale or mortgage of land, a measure, by the way, which met with furious opposition from the landowners.

But this assumption that the villages were in a mood to wait was a great mistake. The unrest among the peasants was by no means negligible; it started from two sources. On the one hand, the excitement among the soldiers, one of the most decisive factors of the Revolution, was at bottom nothing less than the peasants' longing for the land. On the other hand, the peasants in the villages, who had been roused from the old inertia by the events

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of the war and by the struggle to defend their produce, at once welcomed the Revolution as the disappearance of authority. It only took a few months indeed to translate their old feeling of bitterness into action and to exploit the new situation to their own immediate advantage. They ignored the appeals to wait for the Constituent Assembly and took the law into their own hands. While the towns were preoccupied with the question of war or peace, and the Government was making preparations to start a new offensive at the front, the peasants proceeded to act on the assumption that the landlords had abdicated and that their rights to forests, pastures and estates had lapsed. They started to cut wood, to appropriate implements, and to divide the landlords' stocks, and to the general consternation some of them actually divided among themselves the landlords' estates.

As a matter of fact, in the fateful summer months of 1917 the peasants were so busy ousting the landlords and dividing their property that they had neither time nor inclination to increase cultivation. The circumstances gave them no incentive; any surplus produce derived from increased cultivation would merely have been appropriated by the State. The idea generally held by the townspeople, that the peasants were at least patriots enough to do their "bit" to help the Government to win the war by increasing production, proved wholly fallacious. The attitude of the peasants in the

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first two years of the war should have demonstrated quite clearly that the patriotic note made very little appeal to them. Now, when they had gained their long cherished ends and were concentrating all their energies on consolidating their gains, the call to sacrifice for a cause so far-off and so little understood fell on deaf ears. But there was another reason for their attitude of aloofness; and that was propaganda disseminated in the villages by the peasant deserters from the army.

The effect of the Revolution on the mentality of the peasant soldiers was too dramatically demonstrated to leave any doubt on this point. The excitement among the soldiers over the division of land and their fear lest the continuation of the war might deprive them of their own share were so great that the only wonder is not that mass desertion from the front took place, but that any sort of discipline still remained. Anyhow, those soldiers who reached the village infected the peasants with the "stop the war" virus, and became the leaders of the more violent "defeatist" and insurgent section. In fact, after the July offensive, when the number of deserters ran into millions, the peasants broke out into open jacqueries. During August, September and October the peasants' revolt spread like wild fire over the black-soil area and the central region, the very parts of Russia where land-hunger was always prevalent. It was in this atmosphere of anarchy and dissolution that the

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Bolsheviks succeeded in overthrowing the Provisional Government. Indeed it was the destructive force of the peasants' revolt that made the Bolshevik Revolution of October 1917 seem so easy and bloodless.

The agrarian policy of the Bolsheviks was, however, vitiated by two big mistakes, which doomed it to failure from the very beginning. The first was their acceptance of a programme which for twenty years they had violently opposed. The second was their attempt to give preferential consideration to the interests of the consumers, the urban population, over that of the producers, the peasants. Having, however, adopted a solution of the agrarian problem which contradicted all their professions, the Bolsheviks only waited for a chance of amending it in accordance with their own real sentiments. Faithful, after all, to their belief that the village was not a unit but was broken up into heterogenous classes, they attempted to hasten and to support the class war between the poor and the rich peasants which they considered inevitable. They also made effort after effort to discourage the equalizing tendency of small holdings which was favoured by the socialization of the land, and made vain and costly attempts to establish a scheme of large scale agriculture on a Communist basis. Moreover, all their activities, agrarian policy included, were coloured by the increasing difficulties they encountered in obtaining food from the villages. However

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right Lenin and other Russian economists may have been in pointing out that ever since the nineties the process of differentiation has been at work in the villages, and however obvious this differentiation became as a consequence of Stolypin's reform, it remains a fact that since the Revolution of 1917 the peasants have felt themselves to be a unit, and in their fight for the land with the landlords and for their produce with the Bolsheviks have remained a unit. What is still more important, the Revolution of 1917 actually reduced the distance between the rich and the poor peasants. The tendency towards "equalization" replaced that towards "differentiation."

The growth of this tendency towards "equalization" only dawned very slowly on the public consciousness. For two years Lenin's government was bent on supporting a purely imaginary conflict between rich and poor peasants, with fatal results to the development of social and economic conditions in the villages. For three years, from 1918 to 1921, the Bolsheviks then made determined attempts to introduce what they called "socialist" relations into the villages. But the measures thus carried were a mass of purely theoretical decrees which failed to touch the vital question of productivity. The class war which the Bolsheviks preached and the Communist decrees which they issued could not arrest the decline of agriculture, which commenced in 1916. The requisitioning of food, which

resulted in something like open war between the Government and the peasants, soon brought productivity to the lowest level possible, to the level of the "victualling norm." The peasants produced the minimum which would keep themselves alive. The scarcity of food explains why the screw of compulsory requisitioning had to be more and more ruthlessly applied, and why every fresh application of the screw proved less effective.

The situation which in the spring of 1921 led to a sudden and radical *volte face* on the part of the Bolsheviks was determined first by the manifest failure of compulsion as a means of inducing the peasants to increase productivity, and secondly by the growing conviction that no development of compulsory methods was likely to save the towns from the danger of starvation. The essential feature of the New Economic Policy was the restoration to the peasants of the ordinary incentive of the market.

The most remarkable fact in recent Russian history is the reversal twice in five years of the entire tendency of the country's agriculture. The Revolution of 1917 first reversed the capitalist development and differentiation in the villages in favour of a general levelling of holdings, stock and implements. And then in 1921 the conditions in the villages were again reversed. This reversal cannot be called an exact revival of pre-war capitalist

development; yet it is bound to proceed on similar lines. The pre-war development was characterized firstly by a slow but steady increase of the area under cultivation, secondly by an intensification of cultivation and a transformation of it from the primitive so-called "victualling norm" (i.e., a cultivation to suit the mere needs of the cultivator and his family) to a "goods norm" (i.e., a cultivation for the market), and thirdly by the growth of a spirit of enterprise and the consequent dissolution of the Mir.

The Revolution reversed all this and inaugurated a period of agricultural decline. It favoured an extensive instead of an intensive cultivation and so brought down productivity again to the "victualling norm." It reduced all the peasants to the same social level and it revived the theories of equalization associated with the Mir.

The decline of agriculture is best seen from a comparison of the yield per dessiatine of the six staple crops in 1915, the year in which capitalist development of agriculture was at its height, and in 1920, the year in which the equalitarian tendencies were most manifest. In 1915 one dessiatine of rye-land yielded 63 poods; in 1920 it yielded only 29 poods; in 1915 one dessiatine of wheat-land produced 68 poods; in 1920 it produced only 26 poods. The corresponding figures for oats are 49 and 35, for barley 56 and 24, for potatoes 465 and 360, and for flax 26 and 15. These figures

show unmistakably enough that the technique and industry of the peasants had deteriorated. Not only were they cultivating a smaller area; they were working on this area more carelessly. These two factors, the diminution of area and the deterioration of technique, resulted in an acute food crisis in the towns which rapidly assumed the proportions of an all-Russian famine. The causes of the decline of Russian agriculture are various. But the main cause has always been the failure to give the peasants any incentive to cultivate for the market.

The significance of the situation in 1920 lay in the fact that the peasants could then afford to disregard the towns, because they could not procure any goods there on a fair basis of exchange. But the townspeople, isolated so long from the outside world, were becoming more and more dependent on the food supplies they were accustomed to obtain from the villages. A situation had arisen in which the latter, who produced practically nothing which the former wanted, found themselves deprived of any means of exercising sufficient economic pressure on them to induce them to increase production. The government had therefore to resort to purely physical force, to requisitioning and to compulsion in general.

The principle of compulsion had been steadily growing in favour during the war. Under the Bolsheviks, in the atmosphere of civil war and at a time when coercion seemed the only resource, the compulsory acquisition of

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the peasants' grain soon became expropriation pure and simple. The theory propounded to justify this compulsion was that once land was nationalized the produce was *ipso facto* nationalized and so belonged to the State and not to the individual producer. The idea that this policy of requisitioning the peasants' grain was pursued in the expectation that it would in the end provide them with a sort of incentive for growing more is too fantastic to be discussed. Even if the peasants had possessed a surplus of grain, this practice of removing it without giving the owners any equivalent was bound to prove a disastrous failure. But in the circumstances, when the grain requisitioned was not a surplus but food actually required for bare subsistence of the producers themselves, forcible removing of it only succeeded in embittering them, in depriving them of the last vestige of incentive to cultivate the land, and in depressing productivity still lower.

The way in which the peasants defeated the Bolshevik attempt to compel them by physical force to hand over their surplus grain is a remarkable page in the history of Russian agriculture, remarkable both for its dramatic simplicity and for its tragic waste. In this struggle between country and town generally known as "the bread war," the attitude of the peasants was quite simple. They thought that the less they produced the less would be taken from them; and they acted on this assumption with true peasant obstinacy. Yet, the more

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the peasants' tactics brought about a decrease of food in the country, the more systematic and drastic became the action of the requisitioning armies. In 1920 the conflict between country and town brought about a sheer national calamity; for the townspeople, despite the coercion of the peasants by the Food Administration, were living on starvation rations, while the peasants had themselves reached the stage of semi-starvation. The situation became so critical, indeed, that the failure of crops due to a dry summer brought about a famine unprecedented even in the history of Russian famines. But, happily, before this famine broke out, the Bolsheviks gave up the conflict, and by modifying their revolutionary theories were able to enter into relations with the West and to obtain help from abroad.

The details of this struggle and the story of the peasants' resistance is very instructive. I even think that the knowledge of it is likely to modify considerably the prevailing opinion that the Russian peasant is politically helpless and immature.

The result of this extraordinary battle between a peasantry scattered and living at a low level of cultural development and a ruthless government, which in the interests of the hungry millions in the towns was prepared to go any length in securing food, was not and could not be anything but disastrous to an agriculture like that of Russia. Intensive

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cultivation in Russia and the growing of such food for the market, as wheat, barley, flax and hemp, crops which demand a careful and systematic ploughing, manuring and manipulation, have never become naturalized among the Russian peasants. Fatalism, laziness and natural contentment always incline them to take the line of least resistance, and to sink to a lower level of living with no obvious struggle or sign of reluctance. So in a few months of revolutionary storm the early and fragile shoots of intensive cultivation in Russia were completely swept away. The country went back to its primitive technique and became once more an entirely rye-growing and rye-eating nation. The area under rye even increased; but this could not make up for the disappearance of wheat, barley, flax and clover.

Wheat is undoubtedly the symbol and basis of prosperity in Russia; rye is the emblem of poverty and backwardness. In the words of one of her poets, Russia had become a "heaving ocean of rye," a metaphor which a Russian publicist once countered by saying, "No doubt Russia is now an ocean of rye, but at the bottom of this ocean I can see the fragments of Russian civilization."

In economic terms the situation of agriculture at this time can be expressed in the following formula. In the first place such high quality grain as used to be grown for the market was now being replaced by lower kinds intended only for sheer victualling purposes. Secondly,

the sowing of grass for cattle fodder ceased almost altogether. Rye usurped the place of wheat, and oats of barley. And last and most sinister change of all, high technical crops like flax, hemp and sunflowers, the three crops used for textiles and for oil-making, had to submit to a catastrophic reduction. In this fight for existence the cotton fields in Turkestan, which used to provide all Russian mills with raw materials, now grew rye only; while the rich sugar-beet plantations of the Ukraine were laid waste, and the tea and tangerine plantations of the Caucasus disappeared.

This process of lowering cultural standards in Russian agriculture, a process equally disastrous to country and town, could not continue to go on indefinitely. Obviously it had to be arrested. In the winter of 1920-21 even the most militant and crudest of the Bolsheviks were driven to the reluctant and irresistible conclusion that force was no remedy. "In the spring of 1921," said Lenin in a pamphlet defending the abolition of the policy of requisitioning, "the situation in the villages had become so alarming that immediate, most decisive and extraordinary measures had to be taken to improve the conditions of the peasants and to encourage the productive forces of agriculture." The measures for dealing with this situation which Lenin proposed and carried at that time were, as everyone knows, an absolute reversal of the previous Bolshevik policy. Monopoly of grain and its corollary

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requisitioning were abandoned by the Government; and the peasants became once more the masters of their produce, which they could now dispose of in the open market. Free trading in food, which a few months earlier had been the cardinal sin in the eyes of the Bolsheviks, was now revived and its status as an incentive to cultivation was re-established.

The peasants carried the day. That remains the significant fact, however anti-social may have been the weapon they employed to gain their victory. The shock which the Russian intellectuals received at discovering callousness and lack of humanity in a class which had always been idealized in Russian literature was not one from which they are likely easily to recover. In the war and the Revolution, indeed, the Russian peasants had at last revealed many of the unamiable characteristics, hardness, greediness and obtuseness of feeling, which are proverbially associated with tillers of the soil. Yet even the intellectuals were impressed by the peasants' tenacity and will to live, and still more by the unmistakable sagacity and political instinct which they displayed.

That the peasants should never have hesitated about giving their sympathy to the Revolution and should have supported the Bolsheviks in the Civil War, as long as the question at issue was the struggle with the landlords for the land, was in itself surprising and illuminating enough. But that they could so soon and so correctly weigh and deal with

the vastly different situation that followed the struggle for the capture of the land was indeed a revelation. When the conclusion of the Civil War left the peasants in possession of the land, they put up as strong and resolute a fight for their produce as they had for their soil, and the victory they won was commensurate with their effort.

The agrarian Revolution was now over. The land-hunger of the peasants was satisfied. They had acquired at least 90 per cent. of the entire arable land of the country. The Mir still existed; but it had lost all extra-economical power over the peasants, who could now remain in it or leave it. The frenzied division of land was practically at an end, a result to which a law making division practically impossible largely contributed. Under this law divisions were only possible which took place within the boundaries of a village, and then only by the decision of 75 per cent. of the members of the Mir. That is to say, the land of two or more villages could not be pooled for purposes of division. Moreover, no villager who declared his independence of the Mir could be coerced into pooling his holding; while even in cases in which the members of the Mir voted unanimously for a new division they had to submit to the postponement of division until three rotation of crops had been gathered, that is to say, until nine years had elapsed.

The peasants then not only gained the land, but eventually obtained security of tenure.

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Moreover, though the land nominally remained nationalized and consequently could not be sold or sequestered, it belonged for all practical purposes to the holder. The peasants could now lease their land and could obtain rent for it.

With the acquisition of these gains the villages seem to have now returned to the path from which they were diverted by the war and the Revolution. The same forces which caused differentiation in the villages up to 1917 are at work once more, and the results of this development are likely to be more or less the same. The victory of the peasants in 1921, combined with the national character of the solution of the land problem, seems to open out for them for the first time in history an opportunity for settling their problems in their own way.

CHAPTER X

THE RUSSIAN VILLAGE OF TO-DAY AND OF TO-MORROW

THE time has not yet come for summarizing in any detail the results of the agrarian revolution in Russia. But already two great facts are outstanding and beyond dispute, the prevalence of small holdings and the individualist tendency of the development of agriculture. The victory of the small holding principle can be gathered from the fact that at present 80·5 per cent. of the peasants possess under 4 dessiatines, while before the war there were only 37 per cent. in this category. Still more evident will this triumph appear when it is realized that, while before the war 63 per cent. of peasant holdings belonged to the category of middle and large holdings, i.e., were over 7 and 10 dessiatines respectively, to-day holdings of this character have practically disappeared, being now, indeed, only 3·1 per cent. of the total. The rest, 16·4 per cent., are holdings of between 4 and 7 dessiatines. This disappearance on the one hand of the rich, the bourgeois and capitalist groups

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in the village, and on the other of the landless, the more or less typical proletarian groups, and the transformation of the commune into a practically homogeneous middle-class peasantry is certain to have a lasting effect on the progress of Russian agriculture.

But it must not be supposed to mark the final stage of development; for already the tendency to fresh accumulation on the one hand and to impoverishment and pauperism on the other is noticeable. Accumulation of wealth is achieved to-day by means of loans made by the richer to the poorer peasants in the form either of seed, victuals, horses, or implements. And these loans, which certainly have a marked usurious character, are repaid either by work or by the clandestine lease of land. This new revival of capitalist relations in the villages, which is bound to lead to an accumulation of wealth and holdings, is already a factor of marked importance. Yet the attitude which the Communists now take towards these rich peasants is very characteristic of the changed conditions of Bolshevik Russia. Surprising to say, all official Bolshevik investigators into village life admit that in the present conditions these rich peasants are a social and progressive rather than an anti-social and predatory factor. "As long," says Yakovlev, a member of the collegium of the Commissariat of Agriculture, "as the State or the co-operatives fail to supply a sufficient number of places where peasants can hire machinery or oxen for stud

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purposes, and so long as there are no properly organized agricultural credits, the rich peasants, even if the terms they grant are semi-servile, are undoubtedly playing a progressive part. Without their assistance the lands of the poor would remain unsown, the country's resources would be diminished, and the pauperization of the poor accelerated." The same authority admits that some of these rich peasants are slowly being transformed into traders and usurers and are beginning to organize industrial undertakings such as starting a mill or a seed-oil factory. "A rich peasant," he says, "who combines farming with trading tends to become a pure village *kulak* (shark). But such pure *kulaks* are not more than between 2 and 5 per cent. of the rich peasants." This idea that the rich peasants are playing a progressive part has influenced the attitude of the Communist Party, at the last conference of which Zinoviev formulated the latest policy in the following words: "Not the suppression of the *kulaks*, but support for the middle and the poor peasants!"

The usual form of concentration of wealth in a village is the concentration of holdings. The nationalization of land in Russia has, however, placed strict limits on such concentration. But there can be no shadow of doubt that in spite of these legal limits an accumulation of land is being carried on in Russia to-day on quite a large scale. But, before I attempt to describe the forms and conditions, more or less

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officially revealed, of this and similar tendencies in the villages, it will perhaps be as well if I give an outline of the existing agricultural legislation.

The Agrarian Code, which was issued in October, 1922, is the natural offspring of the New Economic Policy. Of the spirit in which it was drafted two criticisms can fairly be made. In the first place it may be said to reflect a radical transformation of the Soviet Government's attitude towards the villages. Up to the time of the inauguration of the New Economic Policy it was the poor peasant who was the favourite object of the Bolsheviks' solicitude. The favourite object of the new legislation is productivity. Up to 1921 the Government was obstinately determined to put the poor peasant into a privileged position even at the expense of productivity. Now it seems equally resolved to stimulate productivity even at the expense of the poor peasant. Another characteristic of the code is its relative freedom from doctrinaire and preconceived theories. Of all the Soviet decrees, indeed, the Agrarian Code is the one piece of legislation which is based on a recognition of actual conditions.

The first clause in this new code, the clause of nationalization, declares that all land, whoever possesses it, belongs to the State. Property rights are abolished and there exists only the right of possession. The right to possess agricultural land is free of all restriction of time; but it may be lost in certain

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exceptional cases provided for in the code. Alienation may occur through (1) voluntary renunciation of the right of possession, (2) abandonment of cultivation for no less a period than three years on insufficient grounds, (3) inland migration, which gives the possessor the right to claim an alternative holding, (4) certain specified offences against the law, and (5) resumption of land by the State for purposes of sinking mines or extending railways. In the last mentioned case the expropriated possessor can demand both compensation for dispossession and another holding. Again, when a holder is prevented from cultivating his land by the obligations of military or public service his holding is kept for him. Similarly one who leaves his holding to undertake productive work in the towns retains it; but if he is away for a longer period than that of two rotations of crops, i.e., six years, he loses it, but can still claim his right to share in the next division of land which takes place in his village.

The abolition of private property in land and the conditions under which the Russian peasants can obtain or may lose possession of land makes Soviet tenure radically different from ordinary capitalist tenure. But it would be wrong to conclude that Soviet tenure hinders the development of capitalist relations in the villages; for though mobilization of land takes a different form it exists all the same. True the Soviet tenure precludes both the sale and the gift of land; but it still allows the chief

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kind of mobilization, the lease of land. Whether private property in land will ever be re-established in Russia it is idle to discuss at this juncture. To-day certainly there is not the slightest trace of such a development. Properly to judge the situation it is necessary to remember that the initiative in the abolition of private property in land was taken by the peasants themselves. The theory that property of this kind is a sin was always at the back of the peasants' resolve to drive the landlords from the land. The peasants may eventually come to regard property as sacred; but this change cannot arise suddenly. Anyhow, to-day the deprivation of the right to buy and to sell land freely must not be identified with an absence of capitalist development. All observers of village life, Communists included, are unanimous in their conclusion that capitalism has never enjoyed better chances in the Russian villages than to-day. The inability to alienate land may even turn out advantageous to the capitalist development of Russian agriculture; for it will help to keep all the village's accumulation of capital in the village.

The history of Russian agriculture is, it must always be remembered, the history of the steady migration of capital from the villages to the towns. Of the millions paid by the peasants for their holdings since 1861, and of the considerable sums paid by them for additional acquisitions of land, only an insignificant part was ever reinvested in the land. By far the

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greatest part was alienated from it. In the circumstances the inability to sell land may quite possibly operate to the accumulation of agricultural capital in the villages. In any case the conditions under which land is rented to-day cannot be considered unfavourable to a sound development of agriculture.

As early as 1920, when the equalitarian tendencies of the Revolution had begun to die out in the villages, the peasants, regardless of the illegality of their action, started clandestinely to let their holdings. In the face of fierce opposition from the Communists, who frankly expressed their apprehension that this policy might result in restoring private property in land, the Soviet Government proceeded to sanction these measures by issuing early in 1921 a decree legalizing such leases, provided they were made for one season only. In the code of 1922 this condition was dropped. But even to-day the idea of rent is so obnoxious to the Communists that the clauses regulating and regularizing it are made to appear as formidable as possible. But, since the conditions which the code imposes affect not the peasant who rents the land but the one who lets it, they are obviously incapable of preventing the free mobilization of the land and its ultimate accumulation. Indeed, when the code provides that land may be let only in cases of elemental misfortune, in cases, that is to say, of death, military service, and of lack of implements and stock, it is simply enumerat-

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ing the cases in which land is generally let. The safeguards against the accumulation of land are certainly not prohibitory. Paragraph 29 of the Agrarian Code provides that land may be rented for only a single rotation of crops, i.e., for three years. But the next paragraph prolongs this tenure in cases in which the Volost¹ Soviet agrees to a tenure for two rotations. But that is not all. The same paragraph provides that if after two rotations of crops the peasant leasing the land is still in no position to reclaim it, the lease may be extended, with the permission of Uezd² Soviet. This time the extension of the lease is not qualified by restriction to any period. The other limitations on renting land are of a similarly nugatory character and constitute no real obstacle to its ultimate accumulation.

Several clauses of the code provide for a control of the conditions of the payment of rent and of the use of the rented land. Paragraph 32 requires a registration of all rent contracts in the village or volost soviets. If a peasant lets less than half of his holding he must register the contract in the village soviet. But if he lets more than half the registration has to be effected in the volost soviet. To provide against the rapacious use of rented land paragraph 35 requires the renter to conduct his agriculture on the rented land "as becomes an

¹ A Volost is an administrative unit composed of several neighbouring villages.

² An Uezd is an administrative unit composed of several neighbouring Volosts.

industrious and provident occupier." Paragraph 37 is more explicit. It lays it down that improvements effected by the renter cannot be taken away by him if their removal involves a depreciation of the economic value of the rented portion. It goes without saying that another paragraph provides for the transference of the liability to taxation from the leaser to the renter.

Obviously, then, the agricultural code offers quite workable conditions for renting land. If then the system of rent and the concentration of land in the hands of the richer peasants is insufficiently developed, this is mainly due to the insufficient development of industry in the cities, which are unable to absorb the labour of the dispossessed peasants. At present even the holder who has neither implements nor stock and who often has to borrow seed must still stick to agriculture as the only way of earning a living. After all, the main stimulus to differentiation in the villages must come from a development of industrialism in the cities. Yet all observation of the life of the villages to-day goes to prove that already rent is a much bigger factor in the development of the villages than official statistics seem to show. The reasons for employing the clandestine system of letting instead of using the method provided by law are many. The chief one is probably the ignorance of the actual legal position. But, ignorance apart, it is obviously in the renter's interest to avoid

registration; for by this avoidance he manages successfully to evade taxation. In explanation I may say that the more land a peasant occupies the higher is the rate at which he is taxed, as I shall explain later. By failing to register their leases of land the poor peasants put themselves at the disadvantage of paying more taxes than they need. It is therefore to be expected that, with the dissemination of a knowledge of their legal position, the letting of land, which is now conducted underground, will be open and regularized. Then it will be seen that differentiation in the matter of the possession of land has already made rapid strides in the Russian villages, those villages which may still be described as the most equalitarian in the world.

No less drastic is the change in the policy of the Soviet State in the matter of farm labour. The prohibition of the "exploitation" of labour has naturally been given up. But the clauses of the code which permit the use of hired labour are, of course, couched in such language as permits the impression to remain that there has been no change in principle. Paragraph 39, for instance, insists that labour may be hired only in cases in which the household is unable to perform the necessary agricultural work with its own labour and implements; while paragraph 41 stipulates that the household which hires labour must continue to work itself with the farm hands. That these stipulations are no safeguards against the exploitation of labour is

obvious. In present agricultural conditions and for a long time to come the position of a rich peasant who is able to withdraw his and his family's labour from direct work on his farm will be a very rare one.

The clauses of the code dealing with rent and hired labour are very important; but far more important for the development of Russian agriculture are those concerned with the forms of tenure and with the integration of holdings. Stolypin, with whose attempts to reform Russian agriculture I dealt in the previous chapter, was well inspired when he said that the agrarian misery could not be relieved merely by enlarging the area of the peasant's holding and could only finally be removed by a concentration and integration of holdings.

As is well known, the periodical divisions of the Russian soil result in a universal disintegration of holdings. The land of the villages is broken up into a great number of strips; while in accordance with the communal sense of fairness every household is allowed an equal number of these strips, good, bad and indifferent. Obviously these cannot be adjacent; and the natural result is that the peasant, with his limited labour and cattle, cannot get about so readily as to cultivate all his strips. On the other hand the strips, apart from being scattered, are so narrow and small as not to permit of any rational cultivation. Associated with this chaotic allotment of the land is the com-

pulsory adherence to a uniform but obviously antiquated and irrational system of cultivation—the so-called “three-field system.” I have described how Stolypin tried to remove all these burdens on agriculture by the simple device of dissolving the Mir and of encouraging the integration of the holding by way of individual farming. He put his finger on the real crux of the situation and yet he failed. His failure may be attributed to the fact that his intention was to use land reform as a means of propping up the sacrosanct rights of the landlords.

It is remarkable how zigzag a course history has taken in this matter. Stolypin's land reform, which was intended to save landlordism, is winning its triumphs now when landlordism is extinct; while the more it succeeds the more impossible it will be to make any return to the old system. Some observers, with what justification I cannot say, assert that the revival of the Mir after the Revolution was partially the result of Stolypin's high-handed method of dissolving it. In any case the revival of the Mir and of equalitarian tendencies in the villages was very short-lived. When the great division of land which started in the autumn of 1917 was practically over the peasants gradually lost their old enthusiasm for the Mir. This change of attitude in the villages was eagerly recognized by the Bolsheviks, and a decree of December, 1921, made it optional for any

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peasants to remain inside the Mir. The Agrarian Code, indeed, puts on an equal footing all forms of tenure, whether communal, co-operative, or individual. Consequently the dissolution of the Mir may now be said to have been definitively effected by law. The degree of success which dissolution has attained seems to vary with the geographical position of the various regions. It is more evident in the north-western provinces and on those on the lower Volga, in the former mainly because of their proximity to the market, which is an incentive to intensive cultivation, in the latter because there the Mir has never had any deep roots. In the central parts of Russia the Mir still survives as a merely voluntary association with its concomitants, the strips and the three-field system. Here the average holdings are too small to permit of the development of individual farming on a large scale.

While the new legislation permits any form of tenure and encourages none, it attempts to prevent the indefinite division of the holdings. Paragraph 67, for instance, lays it down that the holding, along with the buildings and live and dead stock, belongs to all the members of the household without distinction of sex or age; while its division is regulated by paragraph 74 which forbids the partition of any holding unless there are reasonable grounds for supposing that it is likely to create self-supporting holdings. Holdings too small to be satisfactorily divided are called

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"indivisible." The sizes of them vary according to the geographical and economic conditions of the various provinces; and every Gubernia¹ Soviet is given the right to fix within its boundaries the size of such holdings. These are the main provisions of the Agrarian Code. I may add that the use of the various communal and State forests is regulated by a special code, the Forest Code of July 27th, 1923.

The work of consolidation and integration of land, bound up as it was with the necessity of fixing the boundaries between the various villages and between the villages and the various State land, was at first vigorously taken in hand by the Bolshevik Commissariat of Agriculture. Between 1919 and 1921 this business of integration and separation was considered the main aim of land reform. It was only gradually that the authorities realized that the State had not the means and the peasants not the patience to wait for a settlement based on the work of the central authorities. To-day, however, this enormous task of consolidating the land has been decentralized. To the central authorities has been left only a general supervision. The real work is being done and the cost being defrayed by the local land commissions and chiefly by the villages.

Having made this short but fairly compre-

¹ A Gubernia is an administrative unit composed of several neighbouring Uezds. In European Russia there are 50 Gubernias.

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hensive survey of the juridical position of the peasants under the New Economic Policy, I am free to attempt a description, as far as reliable statistics allow me, of the actual economic position of the Russian villages of to-day. Here the first consideration is the area under cultivation and how it compares with the pre-war area on the one hand and with the area at its lowest decline under militant Communism. The entire area under cultivation in the boundaries of the Union of the Socialist Soviet Republics of to-day amounted in 1913 to 97 million dessiatines. To-day it is 78 million. So it will be seen that the diminution of the area is, after all, not really catastrophic, being only 20 per cent. In 1920 the shrinkage was at least twice as great. Yet, when it is considered that the actual diminution in productivity as a result of the Revolution considerably exceeded 40 per cent., it is clear that the other factor, the yield per dessiatine, was mainly responsible for the decline. Indeed, the really alarming factor was not the shrinkage of the area but the falling off in the yield, which, varying in different regions and for different crops, ranged from 17 to 60 per cent.

The greatest shrinkage of the area under cultivation, as I have already stated, took place in 1920. Since then the shrinkage has been arrested, and since 1922 there has been a marked increase in the area. The increase of 1923 as compared with that of 1922 was no less

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than 15 per cent. The increase of 1924 as compared with that of 1923 was about 9 per cent. This increase of the area in a kind of descending progression seems to be a natural phenomenon in Russia; for the recovery after the famine of 1891 also followed the same principle. Provided normal conditions hold there is then a reasonable expectation that in 1928 the area under cultivation may return to the pre-war level of 97 million dessiatines.

To understand the present and future of Russian agriculture it is insufficient to take only the general and average figures for the whole of Russia. The country is so big and the regions differ so much in agrarian, geographical and economic respects that regional differences are bound to be considered. When we look at the regional returns we see that the shrinkage of the area was the biggest, sometimes 40 per cent., in the south-east, that is in the provinces of the middle and lower Volga, of the Northern Caucasus and the Khirgiz Steppes, all areas of extensive cultivation. In the central industrial regions, in the Ukraine, in the west and north-west it was between 10 and 20 per cent. Again, if we consider not the general area but the area under different crops, we find that the area devoted to victualling crops, mainly rye and potatoes, diminished less than that given up to marketing crops, mainly wheat and barley. The Ukraine is the chief country for rye production. Here the area diminished only slightly. The middle and lower Volga

provinces, where wheat and barley have always been the main crops and where the surplus for internal and external export has often reached over a million tons, naturally suffered the most. So while the shrinkage of the average area under cultivation was not quite catastrophic, the economic significance of the decrease was enhanced by the fact that it operated mainly in the area of the more valuable marketing crops.

On the other hand, the increase which has been taking place in the area under cultivation during the last few years can be best measured by the fact that the area under technical crops such as flax, hemp, beet and sunflower seeds is increasing more quickly than that given up to cereals. In fact the cereal area of 1924 is still 21.9 per cent. lower than it was in 1913; but it is 9 per cent. higher than it was last year. The area, however, devoted to technical and intensive crops, though it falls 21 per cent. below the 1913 area, shows a big increase, 17.9 per cent., on last year's area. This is a very important fact, which shows that the area of intensive and technical crops is increasing at a greater pace than that of cereals, a circumstance due to the increased market for such crops and to the readiness of the peasants to take advantage of the fact.

The figures available for an estimate of the numbers of live stock show that here too the decline has been arrested and that a marked increase is evident. But, on the whole, the

improvement fails to keep pace with the increase of the area under cultivation. This is easy to understand; for, however grave the diminution in the yield of crops was throughout the Revolution, the shrinkage in cattle was absolutely catastrophic. The loss of draught cattle was tremendous; but in addition there was a practical extermination of high quality sheep and of oxen kept for the meat market. Here again the influence of the market is obvious alike in the disappearance and the reappearance of stock. The meat market and the wool market are again operative. The Moscow meat market already demands about 1,000 head of cattle a day. This looks inconsiderable, and is, in fact, only a third of what used to be slaughtered in Moscow in pre-war days. But business in the Moscow and the provincial meat markets seems to be already brisk enough to be stimulating the breeding and feeding of cattle.

We can now try to estimate what is the gross agricultural production of Russia to-day, how it compares with pre-war production, and what are the prospects of its development in the near future. In this estimate I shall deal exclusively with the production of cereals; for these, after all, are the basis of Russian agriculture, and reflect fairly enough the general level of prosperity. The cereal crops for 1923 were 2,353 million poods. This figure clearly indicates that the level of Russian agricultural production has nearly receded to the level of

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the nineties, when the annual cereal crops averaged 2,500 million poods. The rise, fall and rise of cereal crops in the present century can be gathered from the following table, which gives the yield for certain years and series of years in millions of poods.

The Four Chief Cereals

Years	Total of all Cereals	Rye	Wheat	Barley	Oats
1901-1905	3268	1116	877	347	666
1906-1910	3383	1007	949	424	708
1911-1915	3937	1207	1147	503	764
1916	3300	1270	1456	622	922
1920	1127	409	142	58	302
1921	1528	547	356	140	318
1922	2242	760	318	154	315
1923	2353	842	407	211	356

Deplorable as is the picture of decline revealed in these figures, they show at any rate the rapidity with which the rise in the yield set in after the shortage of 1920. The rise of 100 per cent. in two years is certainly a redeeming and reassuring sign. It would be folly to expect that the pace of recovery will continue on these lines: the figures for 1923 show, for instance, only a very small increase. But there is reason to subscribe to the view held by some Russian agronomists that the return to the pre-war level of production may be reached within the next ten years. In any case, it has to be remembered that the table excludes from detailed consideration such minor cereals as millet, buckwheat and maize. The main cereals—rye, wheat, barley and oats—all, it will

be seen, increased in 1923; while the minor cereals increased slightly or even decreased, which sheds an interesting light on the realistic attitude of the peasants towards the demands of the market. During the Revolution millet and buckwheat were cultivated more extensively as belonging to the category of free or non-monopolized foods. With the abolition of requisitioning the *raison d'être* for cultivating these cheaper cereals disappeared. Maize again was practically unknown in Russia until the famine of 1921, having previously been grown only in Bessarabia. It was hastily introduced in the famine area in the Volga provinces as a kind of drought-proof cereal. In 1922 the maize crops reached the surprisingly high level of 100 million poods. But maize has never been a popular food in Russia; and all the efforts of the government to popularize it failed. A small export trade was even started; but this languished on account of the lack of technical experience in drying the crop. A consideration of the rise and fall in production of technical and intensive cultures such as potatoes, cotton, flax, hemp, sunflower seeds, beetroot, clover, tobacco, beans and peas would, I believe, confirm the contention that, colossal and rapid as was the decline of agricultural productivity, the recovery has been real, steady and fairly rapid.

Provided with these data about productivity we are now in a position to appreciate the incidence of taxation in regard to agriculture.

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Taxation was reintroduced only in 1921 and has therefore only been in existence a little over two years. But already it has been changed radically at least twice. It started as taxation in kind, with the amazing result that the peasants had to surrender to the State a part of all their produce, including grain, butter, meat, milk, eggs, wool, flax, ham, honey and cheese. In the short space of a few months no less than thirteen different decrees imposed thirteen different taxes in kind. The burden of taxation at this time was felt chiefly in the plurality of the taxes: the peasants seemed to be never free from collecting and delivering some kind of tax. The irritation that was bound to arise from this incessant activity of the tax-gatherers, the tremendous cost of the collection of the taxes, and the unavoidable element of the ludicrous in the whole business contributed to the rapid abolition of the system, which lasted only for a single season. In March, 1922, the thirteen taxes were replaced by the single tax in kind measured and paid in so-called "rye-units."

But, though the single tax in kind was less onerous and less exasperating than the thirteen taxes, it had very serious drawbacks. First of all by compelling the peasants to deliver their first grain to the State it spoilt the market for them. In the autumn when they needed money they were compelled to sell their grain at a minimum price because the cities were already partially supplied with grain from the

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stocks provided by the tax in kind. The discontent thus aroused in the villages led to a modification in the tax, which in the autumn of 1923 was transformed into a semi-momentary tax, half delivered in rye, half in money. With the stabilization of money in the spring of 1924 taxation in kind was abolished altogether, and taxation now takes the form of a single monetary tax.

The tax on agricultural produce is now a graduated income tax. Income is estimated on the area cultivated, the live stock possessed, and the yield per dessiatine. In relation to the area there are nine categories. The lowest is occupied by households which possess not more than a quarter of a dessiatine per "eater," i.e., per member. The highest is that in which households possess over three dessiatines per "eater." In the matter of cattle there are four categories, households with no cattle, households which possess less than two heads of cattle, households which possess between two and four heads of cattle, and households with over four heads of cattle. As regards crops there are also several categories. The lowest is that in which the household gets a crop under 25 poods per dessiatine. The highest is that in which the household obtains one of 100 poods a dessiatine.

The extent to which taxation constitutes a real burden on agriculture is a question to which no exact answer is possible. As far as statistics are available a case can easily be

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made out for the contention that the burden is lighter than it was under the Tzardom. But figures, I feel certain, are so disparate and the situation has so radically changed that comparisons of this kind are misleading. I can only say that there are two schools of thought in Russia to-day, both convinced of the correctness of their point of view. One holds that the peasants are already heavily over-taxed; the other conceives that they are under-taxed and should pay more. I, personally, consider that the idea that the peasants are over-taxed is the correct one. Even if it could be shown that direct and indirect taxation is lower to-day than it used to be, and this can probably be shown, it must be remembered that the peasants have to pay certain imposts which, though they are not taxes, operate in the same way. The present price of salt, kerosene and other indispensable commodities are far higher than they used to be ten years ago and constitute a heavy incumbrance on agriculture. Apart, indeed, from exact and impartial statistics there is only one measure or real indication of the burden of taxation and that is the attitude of the tax-payer to it. What, then, is the attitude of the peasants in this matter? I think no one is likely to contradict me when I say that they think that they have reached the limit of taxation. On the other hand the disappearance of the landlord and his dues must be a great relief to the peasants; while the free

access to the forests which they enjoy now enables them to repair their houses and barns.

I should like to add a few details of the incidence of taxation; for I fancy they will prove interesting. In order to encourage intensive cultivation the Government makes certain classes of crops entirely free from taxation. Thus all fields growing high quality grass or beet and all fields and nurseries growing seeds are left untaxed. In the same favoured position are all farms devoted to raising the level of agriculture. Special abatements are also made to peasants growing drought-proof cereals.

Whether, then, we consider the forms of tenure, the distribution of victualling and marketing crops, the increase in the area under cultivation, the increase in the number of cattle or the incidence of taxation, we get the impression that the period of agricultural decline seems to be at an end. But even a return to the pre-war level of productivity would not avail to save Russia from periodical crises in agriculture. The basic cause of all agricultural crisis in Russia, whether pre-war or post-revolutionary, lies in the extensive character of Russian agriculture. The agrarian revolution will fail to achieve its purpose if it is limited to a mere change of property rights. The real historical aim of the agrarian revolution should be to get rid of all the encumbrances on agricultural productivity. The remnants of feudalism which were inherent in the system of

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landlordism were naturally the first burdens to be thrown off. But their removal should have been only the preliminary to an entirely new and higher development of cultivation.

For nearly a century the entire outlook of the peasants was directed towards increasing the *extent* of their holdings. That more land was the remedy for all their ills was their fixed idea. Their methods of cultivation remained rigid and primitive. Intensive cultivation and the needs of the market they utterly ignored. Once they acquired more land, they were confident that a new era was opening. This new era has opened. The peasants have now got the land. There is no more opportunity of increasing acreage; the only direction in which Russian agriculture can henceforth develop is not extensively but intensively. The peasants must seek their prosperity not in mere surface extension of their holdings but by digging deep into them and by exploiting them to the limit of their capacity.

The shock administered by the Revolution has probably aroused in the peasants new impulses and a stimulus to get on. The realities of the agrarian situation will compel them to recognize the fact that prosperity can only be realized by an increased industry and a more intensive cultivation. Russia's future, indeed, depends on the capacity of the peasants to envisage these crucial facts. It is the strip holding, the primitive and traditional three-field system, the failure to keep a grass field, the

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late and purely surface ploughing, the insufficient manuring and weeding, and in general the fatalistic reliance on the elements instead of the harnessing of them that constitute the real bane of Russian agriculture. To generalize on small indications would be too sanguine; but there can be no doubt that, while extensive and surface cultivation is still the curse of Russian agriculture, there are considerable regions in which the tendencies towards intensive cultivation are manifest. In these parts the peasants have given up the mere hunt for land. They are ploughing and weeding their holdings energetically. They are reconquering the waste land and manuring it.

One general statement can, however, be made in this connection. The belief in the inviolability of the three-field system *has been* shaken all over the country. The propaganda for early ploughing and for the introduction of a five- or seven-field system which has been carried on for the last few years is meeting with some success. Not so long ago propaganda of this kind would not only have failed to secure a hearing but would have been a risky undertaking. According to scientific agronomists the mere adoption of early ploughing would increase productivity in Russia about 20 per cent. Which means that Russian agriculture could be raised to a comparatively high level of prosperity even without the introduction of fresh capital or new machinery.

I think I am justified in saying that the

ravages which the Revolution and the Civil War wrought in the villages is being repaired. Russian agriculture is obviously on the crest of the wave. The peasants are now at last masters of their material activities. Economic necessity and the Agricultural Code both combine to leave them unhampered in the development of their holdings. And one need not be a seer to understand the direction which this development is likely to take. The re-establishment of the market, the mobilization of land and the command of labour can lead to one thing only, to the accumulation on the one hand of larger holdings and to the expropriation of the poorer peasants on the other. Indeed, Russian agriculture is on the eve not only of development but of capitalist development. If legislation may be said to interpose no organic obstacle to such a development—and we have seen that it makes no such interposition—the real driving force in this development must be ascribed to the character of the post-revolutionary cultivators. A new order of peasants is being evolved, peasants who are breaking away from century old routine and who are distinguished by real initiative and determination. Poverty and misery may for a time tie the hands of this coming race; but the fact of its existence cannot be doubted. If no other evidence were available the ever-watchful attention of the Government, which seeks above all things to cultivate and to maintain an *entente cordiale* with the villages,

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would abundantly demonstrate the emergence and the growing political and economic power of this new order. These post-revolutionary peasants are likely, I am afraid, to estrange the sympathies of their sentimental admirers in this country and in America. But if they cease to be considered "lovable" they may redress the balance by ceasing to be "inarticulate."

Theoretically, of course, a Socialist and a co-operative development of Russia is just as possible as a capitalist development. But the experience of the great agrarian revolution has imposed decided limits on this theoretical possibility. At the beginning of the Revolution the Bolsheviks had exaggerated ideas of what the State could effect in the way of creating and running large scale agriculture. The idea was that the level of productivity on these soviet farms would be so high that the peasants would soon abandon the notion of cultivating their small and unremunerative holdings in favour of collective and co-operative farming. It is only fair to state, however, that these utopian ideas of creating State "factories" of grain were soon given up. To-day even the most sanguine Communists speak of soviet and collective farms merely as models of the higher agricultural methods, models merely provided for the purposes of agrarian propaganda. Looked at in this light State-supported model farms have a certain *raison d'être*. But if they are to show to advantage in a cultural sense they will have to

abandon any pretensions to political significance. Often the worst features of rapacious capitalism have been disguised under the form of soviet or collective farms. In any case the number of soviet farms, the area under cultivation and the number of their members are all so insignificant that the whole system is negligible for good or evil.

Personal initiative and personal responsibility are now the motor principles in the Russian villages. Yet it would be absurd to disregard the power and influence which the State still wields. The immense work of agricultural reconstruction, the making of roads, the drying up of marshes, the supply of manure, seeds and implements, can only be carried on by the direct interposition of the central government. Above all the mechanization of agriculture is a task which can only be accomplished as a public work and by public capital. If ever, indeed, socialization is destined to make its appearance in the Russian villages it will come through electrification. But the electrification of Russian agriculture is a programme which will take a century to carry out. Meantime, the villages will be imbued, as never before in history, with the spirit of activity and acquisition. Both expectations, indeed, the Westerner's fear of Russia's imminent relapse into Communism and the Russian landlords' hope of recovering their expropriated estates, are obviously nothing but pure fantasy and chimera.

PART IV

RUSSIA AS A MARKET

CHAPTER XI

THE CREATIVE INFLUENCE OF RUSSIAN GRAIN EXPORT

FOR the last forty years a constant controversy has been going on in Russia about the proper relations between industry and agriculture. One school of opinion used to place industrial development in the foreground. It was apt to attribute Russia's poverty, provincialism and lack of culture to the predominantly agricultural character of the country, and predicted that, without an industrial development, she was doomed to remain a backward nation and finally to become, as it were, a mere colony. The other as radically championed the cause of agriculture. According to it Russia's future was bound up with a rational development of agriculture. It regarded the peasants as the only really productive class in the community and opposed industrialism as an artificial growth.

This controversy is by no means at an end. The Revolution seemed at first to give such a prominence to the industrial side of Russia as to create an impression that the old controversy had finally been settled in favour of industry. But the importance of the agricultural side became more manifest every year;

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for, with the blockade and the consequent disappearance of foreign capital, Russian industry became more and more paralysed and was bound to rely on its only remaining support, agriculture. It is highly significant that the Bolsheviks, who as Marxian Socialists were the avowed believers in the supreme importance of their country's industrial development, were compelled in the short period of three years to recognize that the peasants after all remained the foundation of the economic life of the country. That Lenin in this respect was in advance of his party is not surprising. "Why," asked his supporters, "should we run the obvious risk of losing the fruits of the Revolution and of encouraging the return of Capitalism merely to alleviate the lot of the peasants?" And Lenin for months had to go on explaining that agriculture was the basis of Russia's economic life and that there was no other way of increasing the general prosperity of the country save by encouraging and favouring the development of the productive forces of the land.

In fact with the promulgation of the New Economic Policy it seemed as if the solution of the old antagonism between agriculture and industry had been found. Indeed, the Russian Government, which is almost completely in the hands of the representatives of the urban population and so stands for industrialism in more senses than one, now proclaims as its paramount aim and duty the maintenance of

an *entente* with the peasants. Theoretically, then, an eirenicon has been reached. Agriculture, which in the past has always been the stepson of the State, has now become the predominant partner. Its achievement of this position is due partly to the peasants' recognition of their power, but mainly to the urban workers' recognition of their impotence.

While, then, the theoretical and political basis of the relation between agriculture and industry has been settled by assigning the primacy to the former, the actual economic relation still remains one in which the latter is favoured at the expense of the former. How serious the predicament is in which Russian agriculture is now placed we can see if we compare the value of the entire productivity of industry for 1922 with that of the entire productivity of agriculture for the same year. Expressed in pre-war prices the value of industrial produce was 1,100 million roubles, and that of agricultural produce 4,738 million roubles. In other words the value of agricultural produce was 4.7 times higher than that of industrial produce. But, unfortunately for the peasants, the exchange of goods was conducted not at pre-war prices but at those actually obtaining in the market, with the result that industrial goods fetched 1,540 million roubles while agricultural produce fetched only 3,506 million roubles. In other words the value of agricultural produce on the market was only 2.3 times higher than that of

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industrial produce. Agriculture, in fact, lost heavily by the unfavourable situation of the market. Though the value of its produce should have been 4·7 times higher than that of industry it actually was reduced by one half. When we go on to consider the pre-war relations between industry and agriculture we find that the value of agricultural produce was 3·4 times higher than that of industrial produce. These figures show unmistakably that, while agriculture was less ruined than industry and is recovering more rapidly, it loses all this advantage by the inequitable conditions prevailing in the market.

These relations are not to be confused with those obtaining in the crisis of the "scissors" which I described in a previous chapter. They represent a situation which may be taken as the new post-revolutionary equilibrium; while the situation in the autumn of 1923 was brought about by a further lowering of the balance at the expense of agriculture. Regarded in purely economic terms, the disparity in prices of agriculture and industrial produce is due to a limited supply of the latter and to a surplus supply of the former. The assertion in the first part of this statement, the scarcity of industrial produce, is common knowledge; but the assertion in the second part, that there is a surplus of agricultural produce, must sound unconvincing. But however unconvincing it may sound it is a palpable fact, that ever since the famine year of 1921 the peasants have been

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throwing on the market a larger quantity of grain than it can absorb. The actual situation can be grasped by glancing at the figures giving the actual grain production and consumption in 1923.

Total production excluding seeds.	Home Consumption. Peasants.	Home Consumption. Towns.	Surplus.
2,353 million poods.	1,800 million poods.	360 million poods.	193 million poods.

Obviously, then, there was a surplus of 200 million poods, a circumstance which was bound to bring about a depression in the market. The existence of even so comparatively small a surplus as 193 million poods of grain was bound to raise the question of reopening the foreign market.

But the motives for actually reopening this market in the autumn of 1923 were even more cogent. The existing surplus of grain was depressing agricultural prices and creating an economic crisis of the first magnitude. The question of re-starting grain export from Russia was, in fact, raised with a view to increasing the price of agricultural produce in the home market. But no sooner was this question raised and the first preparations made for exporting the surplus grain than a cry arose that it was a crime to export grain for which the country was hungering. This cry was started by the Russian *émigré* press abroad and was supported by the majority of the European and American press. On the attitude of the European and American press towards this

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matter I have no need to dwell. Obviously it was either adopted from sheer ignorance or was a mere anti-Bolshevik stunt. But the Russian *émigrés* could not plead ignorance of the situation. They were perfectly well acquainted with the fact that without the export of grain Russian agriculture cannot develop. They knew that for the last fifty years Russia's material prosperity has been dependent on the amount of her grain export. Progress in Russia, indeed, can actually be measured in terms of grain export. Grain export it was that contributed largely to the abolition of serfdom. Grain export was responsible for the modernization and Europeanization of Russia. And the cutting off of this essential trade from 1914 to 1922 helped probably more than anything else to bring about the country's impoverishment. The poverty of modern Russia and her inability to make purchases is due, indeed, to the fact that war, revolution and civil strife have for eight years excluded her from the world grain-market. The insincerity of the cry that Russian grain export is reducing the poor Russian peasants and their wives and children to starvation is proved by the fact that the very people who are raising it belong to that school of Russian finance policy which has always declared "we had better limit our own consumption than not export grain."

I am the last person to deny that the surplus of grain exported from Russia in 1923 was—from a national point of view—a "hunger

surplus." On the other hand I must point out this exported surplus was no more a "hunger surplus" than that of any *normal* pre-war year. This can be gathered from the fact that the calculation on p. 245 is based on a per caput consumption of 18 poods; while the average per caput consumption before the war was 18.3 poods, and the irreducible minimum consumption has been fixed by expert Imperial commissioners at 15 poods.

Experts of various kinds have been busy recently making pronouncements on the future of Russian agriculture. They say that the Russian peasants will continue to be poor until they recognize the necessity of increasing productivity. This prediction is obviously true; but the question is *how* to stimulate such productivity. The history of Russian agriculture gives a plain enough answer. For a hundred years the stimulus to increased agricultural productivity in Russia has been supplied by the demand for grain and the price of grain in the world market. Recent years, indeed, have furnished a grim illustration of the paralysing effect upon the peasants of the lack of this foreign market. Despite the fact that the amount of grain which they offered in the internal market varied considerably in 1921, 1922 and 1923, the return in industrial goods which they could obtain varied very little. This strange fact is based primarily, of course, on the narrow basis of Russian industrial productivity. But obviously

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the peasants can have no incentive to increase their own production in the present position of affairs; for to-day they have either to give their surplus grain away gratis or to export it. In the circumstances the only incentive to increasing their productivity is the reopening of the foreign market. This would directly stimulate the development of Russian agriculture, and would indirectly stimulate the development of Russian industry; for with access to the foreign market the peasants would secure the disposal of their surplus grain and so would occupy a position in which they could compel the urban workers to cheapen the price of industrial goods by producing them on a large scale. Agriculture is certainly Russia's basic industry; but it can only exert its full influence if it has access to the foreign market.

An examination of the amount and kind of grain which Russia used to export before the war will give some clue to the amount and kind she may be expected to contribute to the reopened foreign market. In the eighties she exported about half of her wheat; but in 1913, though the amount exported increased, the proportion fell to 15 per cent. of her total production. Russia herself was rapidly acquiring the taste for wheat. The export of rye was, of course, always considerable but never large in proportion to production. In the eighties Russia exported 9 per cent. of her rye; but in 1913 the proportion of rye exported

fell to 3 per cent. The Russian export of oats, which in the eighties was 11 per cent. of production, fell to 4 per cent. in 1913. Only the export of barley remained constant and even increased. This was 33 per cent. of production in the eighties and 34 per cent. in 1913. If we take these figures of the pre-war exports of the four chief cereal crops as a guide and compare them with the figures of present-day productivity, we might reasonably expect the annual Russian export trade of the immediate future to be measured in the following terms: 75 million poods of wheat, 27 million poods of rye, 17 million poods of oats and 100 million poods of barley. But the actual export trade of 1923 shows that these figures will have to be radically corrected. On the one hand the production of wheat has greatly decreased and the production of rye increased. So that we need not be surprised to find that the actual export of wheat in 1923 was 35 million poods instead of 75, that of rye was 81 million poods instead of 27, that of oats was 9 million poods instead of 17, and that of barley 18 million poods instead of 100. The barley figures, however, must not be taken to indicate a greater home consumption of barley but a decreased demand for it in the world market. On the other hand it has to be considered that apart from these chief crops Russian cereal exports include another 43 million poods made up of oil cakes, maize and sun-flower seeds.

After a period in which Russian exports

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ceased altogether the exports for 1923, small as they are, must be reckoned a very encouraging beginning. They constitute, indeed, nearly a quarter of those of the (1911) record year of exports (824 million poods). What prospects then has Russian grain export of recovering its old position? Here certainly two factors must be taken into consideration, the productivity of Russian agriculture on the one hand and the conditions prevailing in the world market on the other. Since, however, Russian productivity is dependent on the possibilities of export, the question of the world grain market must be considered first. In pre-war times Russian exports of grain made up 20 per cent. of the total world market. In 1913 Russia exported 20·3 per cent., United States and Canada 40·2 per cent., the Argentine 14·8 per cent., Australia 5·9 per cent. and other countries 18·8 per cent. In 1920 to 1922 the position was as follows: Russia none, United States and Canada 69·5 per cent., the Argentine 12·2 per cent., Australia 7·4 per cent. and other countries 10·9 per cent. So we see that with the exception of Australia, which increased her pre-war export by 2 per cent., the remaining countries decreased it, and the United States and Canada dominated the market, not only filling the gap left by Russia's defection but also that left by the Argentine's decrease and that of other countries. Is this predominance of North America likely to continue? One

cannot answer such a question with any approach to dogmatism; but there are certain indications which render some kind of prognostication possible. First of all the increase of productivity in North America during the war was of an extensive character. That is to say, under the influence of a flourishing market the area under cultivation was greatly enlarged. But with the first signs of a depression in the world grain market a shrinkage set in in these areas, cultivation of which ceased to be attractive. Signs are not wanting of a relative over-production of grain in the United States. The surest of these seems to be the falling prices in the home market. On the other hand, in the United States at least the growing internal market tends every year to absorb larger proportions of the grain grown.

But if world prices are now no longer able to encourage increased productivity in the United States they are quite attractive enough to stimulate productivity in Russia and increased export from that country. In that respect the trial export of last year was highly encouraging. It demonstrated firstly that in spite of the unfriendly atmosphere Russian grain export has recovered at once a large part of its former market, and secondly seems to have convinced the grain dealers that Russian grain has not deteriorated. Granted that world prices continue attractive and the conditions of Russian grain export continue favourable, it is quite reasonable to expect that Russia will in the next five or ten years regain its old

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position in the market. But if in future Russia exports the same quantity of agricultural produce as in pre-war time it is probable that the quality of these exports and therefore their value will be much higher than they have hitherto been. The grain exported from Russia in pre-war years comprised mainly the cheaper cereals. This was only natural; for Russia produced mainly the cheaper grain. But as I tried to show in the previous chapter, Russia seems to be on the eve of an intensification of her agriculture. She will probably cease to be an ocean of rye and will go in for the production of the higher cereals such as wheat, oats and barley on the one hand, and of the more valuable technical crops such as flax, hemp, etc., on the other.

There can be no doubt that the only way to stimulate the higher productivity of agriculture in Russia and so to forward the general progress and prosperity of the country is an intensification of cultivation, a concentration on the production of high quality crops and an abolition of the system of strip allotments and of the three-field rotation of crops. But this can only be achieved under the stimulus of the market, and primarily under that of the foreign market. All the facile and fallacious sentimentalities of the pseudo-friends of the "lovable" Russian peasants, who profess to be shocked by the export of Russian grain, cannot alter the immutable economic fact that it is the market and the market alone that can stimulate productivity.

CHAPTER XII

ANGLO-RUSSIAN CO-OPERATION

THE obstinate and long-continued struggle of the peasants for the land and its produce was undoubtedly most devastating in its effects; but with all the terrible waste it entailed it brought with it one enormous advantage. The seven years of continuous war, revolution and civil war which the peasants endured, and the passive resistance which they made to the Bolshevik food army and food decrees gave them a political education which will prove invaluable to them. Into these seven years they may be said to have crowded the experience of two generations. They are now in a position to devote all their energies to satisfying their newly aroused sense of ownership, free from the paralysing interference of State, landlord or village commune. If there still remain conditions which check their free development they may safely be trusted to eradicate

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them. They now understand their strength and are self-conscious enough to see where danger lies and how to meet it. Twenty million peasant households are now about to be tested by the market.

The new status of the peasants, indeed, gives Russia for the first time in history a real opportunity for the creation and development of an internal market. Imperial and semi-feudal pre-revolutionary Russia, with its scanty industrial activities, was always feverishly bent on expansion and on conquering new markets. Up to the very last day of its existence it was dreaming of new openings east and west. The chance of getting Constantinople was the last and most ambitious of these dreams. But this strange and illogical quest for foreign markets was only due to the fact that the potentially enormous domestic market was scarcely open. Many political considerations were at the bottom of this inability to develop the home market. The chief cause, however, was the impossibility of increasing the purchasing capacity of the peasants one iota without satisfying their hunger for land. The vested interests of the landowners absolutely precluded any possibility of a national development of the internal resources of the country. Indeed it is no exaggeration to say that the solution of the land question opens before Russia magnificent prospects of progress and prosperity.

The success of the agrarian revolution may fairly be said to have put an end to Russia's century-old policy of expansion. Her insatiable appetite for new territory and new markets has now grown languid. Revolutionary Russia was the more easily able to relinquish Imperialist dreams in Asia and to agree to the secession of the Baltic provinces just because the bottom had been knocked out of the policy of expansion. It is often asserted of the Bolsheviks that they are themselves Imperialists; an assertion which seems to be based on the fact that they pose as the champions of the suppressed races of Asia. But this championship can hardly be identified with Imperialism, which implies the idea of conquest and exploitation. As a matter of fact, the Bolsheviks have abandoned foreign adventures and concessions alike in Persia, in Mongolia, and in China. The Bolshevik propaganda in Asia is a danger to Western Europe, not because it countenances but because it opposes Imperialism. The aims of Imperialism are the acquisition of new markets; and without a race for markets there can be no such thing. It is safe to predict that the next stage in Russian history will be pacific and non-militarist. And this not because the rulers of new Russia are pacifists and non-militarists. Personally they may be tainted with the militarist spirit. But a nation which has no desire or need to conquer new markets and which is mainly concerned with the develop-

ment of its internal resources is predisposed to a pacific policy and is unlikely to engage in wars of expansion or aggression. Russia of to-day needs more and more to import manufactured goods. And she needs too, from Western Europe, capital, machinery and skilled labour. The difference between nineteenth and twentieth century Russia is that the former was the era of an appetite for territory and expansion, while the latter is destined to be the era of internal development.

But now that this development has begun, anti-Russian propaganda is concentrating every resource in an endeavour to prevent this country from taking its share in organizing it.

The most perplexing feature of Anglo-Russian relations is this propaganda, which constitutes the great obstacle between British industry and trade and the Russian market. The war, partly at least, was fought for the control of the Russian market. No sacrifices of money, ships, or men seemed too great for the achievement of this aim. The most audacious and adventurous schemes—some of which reversed deeply-rooted political traditions, such, for instance, as the proposed handing over of Constantinople to the Tzar—were enthusiastically endorsed, provided they held out a promise of opening the vast Russian market to British trade. Then came Allied intervention in the Civil War, and again millions were spent to secure the same object. But to-day when the market

is at the mercy of any country which is prepared to do the necessary pioneer work, English leaders seem to be not only averse from taking advantage of it, but even to regard the whole decisive possibilities of the situation with indifference. "Why," they seem to say, "the Russian market is a sheer illusion. And 'the bulging corn-bins' of Russia exist only in the imagination of the political charlatan. Besides, even if the Russian market could be developed, this would not benefit us. We have never done much trade with Russia."

The metaphysical question, of when a market is not a market and of whether the Russian market can at present be considered a market at all, can safely be left to the manipulation of those interested persons who are seeking to obscure Anglo-Russian relations. False promises and scare-mongering are, of course, the stock-in-trade of the political conjurer. The promise to solve all European problems by unloading "the bulging corn-bins" of Russia is as mischievous as the declaration that Russia's industrial and agricultural ruin is beyond repair. Unbiased investigators who are concerned only with economic facts can see clearly that, while the war and the Revolution have greatly diminished the Russian market, they have also brought about compensating advantages. The apparently valid argument against resumption of trade with Russia is that in pre-war times the trade of this country with

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Russia was inconsiderable. But those who employ this argument seem to lose sight of the important fact that, whereas before the war this country had to withstand the competition of many enterprising nations, these competitors have now lost their predominant position, and this country consequently stands a chance of securing a leading position in the market. Certainly the national income and the purchasing power of the Russian people have shrunk very considerably. But, as a market for Great Britain, Russia was probably never so attractive and promising as now.

An attempt to gauge the development of Great Britain's trade with Russia in the immediate future by the standards of 1913 would surely be misleading, as amounting to a confession that the enormous changes of the last ten years are to go for nothing. It also bespeaks a certain narrowness of imagination; for in considering the question of foreign markets it is only the long view that possesses any real value. If we take the outstanding factors in the European situation as a whole we are bound to recognize that the prospect opening to this country in the matter of Russian trade is not the recovery of the comparatively insignificant volume of pre-war trade, but the attainment of a leading and probably a dominant position in the Russian market and even an expansion of trade in the East. The first of these factors is undoubtedly Russia's new-born sense of energy and activity, her impatience

to develop her resources, her longing to enter into complete intercourse with the West, and her extreme need of foreign capital and of the organizing qualities which go with capital. The second factor is the advantage which Great Britain enjoys over her rivals, Germany and the United States, in being in a position to supply Russia with capital and to co-operate with that country in an attempt to speed-up her industrial and agricultural development. Obviously Germany has no capital to spare; while the United States seems to be not particularly interested in Russia and is investing its surplus capital and energies in South America and China. The third factor in the European situation is Russia's singular position as the intermediary between Europe and Asia. Anglo-Russian co-operation would assuredly secure for Great Britain not only a leading position in the Russian market but the safeguarding and development of British trade in Persia and the Middle East.

But the difficulty which always obstructs any attempt on the part of the West to come to an understanding with Russia consists in the fact that the unsettled differences of the past loom large and obscure the prospects of the future. The man in the street seems to be so obsessed by the recollection of the unredressed grievances of the past that he is unable to envisage the plain advantages of the future. Until, indeed, English people realize that future political and trade relations with

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Russia are more important than the settlement of old debts, however important such settlement may be, no possibility of arriving at a real understanding with that country seems to be possible. But even those who are interested only in the collection of the debt should understand that the seemingly longer way of entangling the settlement of old debts with a co-operation in the development of Russian resources is really the shortest cut to recovering the money. Unfortunately the British creditors of Russia are unable to see the reason for such an entanglement, and seem to be in a position to mobilize at will public opinion in their favour. In these circumstances the advantage which this country might enjoy over any other European nation in an attempt to develop the Russian market is endangered.

While, then, I am convinced that an agreement with Great Britain is the easier and more natural solution of Russia's international problem, I am not blind to the fact that in the present European situation this is not the only possible combination. Another likely understanding would be one in which France, Germany and Russia were linked. Once an understanding between Germany and France were ratified, the two countries could easily evolve a common policy in respect to Russia. Germany obviously regards Russia as a sort of hinterland, and has a surplus population of skilled labourers; while France might find in a combination with Germany and

Russia a more speedy and realistic solution not only of the reparation problem but of that of her Russian debt.

To-day foreign markets are no longer conquered by armed force. But the acquisition of markets is still by no means a simple matter. Effort, plan and a great deal of pioneer work are indispensable. No magical incantations, no "open sesame!" will procure entrance to them. Nor will mere professions of goodwill suffice. If the desire to resume normal trade relations with Russia is not a mere empty phrase, it is time people understood that mere protestations of friendship are valueless. The resumption of full political and trade relations with a country must be arranged by *governments* and can, indeed, be arranged in no other way. This being so it is evident that the recognition accorded by the first British Labour Government to the Union of Socialist Soviet Republics was the proper realistic approach to a solution of the problem of Anglo-Russian trade relations. That recognition was the only possible way of approaching the situation is best seen in the fact that recognition was never really condemned by the Conservatives in this country and was hailed with satisfaction by the Liberals. Even in the heat of electioneering the Liberals were anxious to point out their approval of the Labour Government's action in this respect. More than that: despite the fact that the British Labour

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Government's policy towards Russia was in the end challenged and brought about a serious political crisis, France, which has always been consistently opposed to the recognition of the Bolshevik Government, seems now prepared to recognize this Government unconditionally, as a preliminary to settling the questions of past debts and future relations.

The clash of opinion came, then, not on the question of recognition but on the rather delicate point of whether any financial assistance to Russia could be contemplated by the British Government until the present Russian Government recognized and settled the old debts.

The controversy, as everyone will remember, is not a new one. It began the moment British and Russian negotiators came together at Genoa. At once, in defence of their respective positions, the Russians on the one hand and their British opponents on the other raised all sorts of questions which tended to obscure the real issue. The Bolsheviks advanced arguments in proof of the contention that in the circumstances new Russia owes the West nothing. The loans, they urged, which Tzarist Russia contracted, were used for purposes of suppression and reaction, and were made, despite the warning given by Russian Liberals and Revolutionists, that in the event of a successful revolution such loans would not be repaid. They further argued that foreign intervention in the Russian

Civil War gave to this demand for the payment of old debt the character of a claim for indemnities in a war which the Russians did not lose. These and similar arguments were as plainly beside the point as the irrelevancies imported into the controversy by some British statesman who, having raised no objection to recognition, discovered that the Soviet Government were usurpers the moment they asked for a loan.

I shall, of course, make no attempt to discuss in detail the arguments put forward by the extremists on either side. The debts which any government incurs are obviously incurred in the name and interests of the nation; and whatever changes a revolution may make in the internal affairs of a country they cannot be held to include a repudiation of foreign debts. To those British Liberals, who would hold up peaceful relations with Russia because they disagree with the Russian Government's control of industry and trade, I would only suggest that in the last resort military intervention is the only way of compelling a country to change its government and institutions, a policy which Great Britain has surely abandoned. Obviously, then, my only concern is with the main question of the interrelation between the payment by Russia of her debts and the granting to her of financial assistance by Great Britain.

To make a realistic approach to this problem it must be clearly understood that,

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however badly Russia may need foreign capital for financing her economic recovery, there is a chance, however narrow, of making this recovery without invoking foreign financial assistance. This possibility of rebuilding the country without resort to foreign capital arises because Russia is an agricultural country. Doubtless the accumulation of agricultural capital is a gradual process; but only the initial stages of this process are slow and painful. Once the agriculture of Russia begins to recover—and we have seen that a recovery has commenced—the further accumulation of capital will proceed more regularly. The accumulation of capital in the United States was based in the first instance on the development of agriculture.

I, for one, am so far from hailing a prospect of this kind with enthusiasm, that I see clearly that a mere concentration on the development of Russia's internal resources, without some active and permanent economic contact with Western Europe, must inevitably hamper the country's cultural development, and is bound to result in Russia being thrown back, as it were, into a primitive stage from which emergence could only be irksome and gradual. But, however gloomy prospects of this kind may appear, they supply Russian statesmen who are negotiating for financial assistance from the West with an alternative policy of reconstruction. In this respect the Soviet Government enjoys an advantage over Count

Witte and other Tzarist ministers. The latter, if they wished to maintain the existing economic structure of the country, had no option save to attract the influx of foreign capital at any cost. The Soviet ministers, however eager they may be for introducing foreign capital into Russia, are free from this embarrassment. If they fail to obtain a loan their failure will not involve any catastrophic injury to Russian development, it will merely retard it. In this respect, and in this respect only, there is a certain validity in the Bolshevik claim that time is on their side.

But, while the situation that confronts Russia to-day is one which insures the Russian Government against the necessity of accepting *any* terms for a foreign loan, their financial margin for any consideration of the liquidation of old debts is extremely narrow, practically non-existent. Agriculture is only just beginning to recover and agricultural capital is passing through the trying period of initial accumulation. All classes of the population, peasants and urban workers alike, are staggering under the burden of taxation. And in this state of economic stress the government is devoting all its energies to achieving a favourable balance of trade; so that home goods are being exported which are wanted at home, while foreign goods for which there is the most urgent need are kept out of the country, a situation which practically amounts to a self-imposed blockade of foreign imports.

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In these conditions it would be fantastic to expect any sane government to take into serious consideration such a sheer impossibility as the payment of old debts. Were Russian ministers to agree to some scheme for eventual payment of these debts without obtaining adequate financial assistance for their country's economic recovery, they would at once reveal themselves either as victims of self-deception or as sheer rogues and tricksters. In either case the liquidation of the debts would be as far off as ever. Fortunately no such step is contemplated. On the question of old debts the Soviet ministers have absolutely made up their minds. They are determined that they can only be settled on two conditions, first that they are scaled down, and secondly that they are bound up with a scheme of financial assistance. In other words government and people alike are resolute in demanding that foreign creditors must be content to wait and to recoup themselves only from the future development of the country's wealth.

That the old debts of Russia can possibly be paid, even partially, out of the wealth created by these debts and now completely dissipated is a sheer impossibility. Those who want to be on safe ground in this matter should understand once for all that the accumulated wealth of Russia now no longer exists. How far it was normally and economically spent, how far it was wasted, and how far destroyed is an important but in

this connection an entirely irrelevant question. The fact is that the old Tzarist army, the great armament works, the guns, the strategic railways, the bridges, the mercantile marine and the navy—all of which were built upon foreign loans—have all practically disappeared. The municipal loans, indeed, have left assets in the form of tramways and other public utilities which still benefit the public. But even the tramways have been so often repaired and repainted that Russians claim that they are native, as being the products of Russian capital and labour. This be as it may, it can fairly be said that the assets of the loans are totally incapable of being made the basis of the payment of the old debts, which can only be discharged out of the wealth created by the reconstruction of the country. This was made the principle of the treaty contracted by the British Labour Government and the Soviet Delegation, and whatever turn Anglo-Russian negotiations may take it must remain the bed-rock principle of settlement. The future generations it is which must pay the debts of the past generation. Anyone who desires a settlement of Anglo-Russian relations and who believes in the future of Russia must grasp this essential truth.

The Bolsheviks have gained for themselves the reputation of being hard bargainers and obstinate negotiators. So they are. But in their position it is much easier to be adamant than yielding. The hard facts

which confront them are so ruthless and inexorable that they cannot possibly get away from them. They are often advised by their well-wishers in this country that to start payment of their country's debts would be sound policy as helping to re-establish Russian credit. This would appear to be very good advice; but it seems to be thrown away on the Bolsheviks. Among the notorious "idealists and visionaries" who compose the Soviet Government there happen to be a few realists, and they obstinately refuse to believe that British financiers will open their purses the moment the Bolsheviks show themselves "good debtors." "They will take our money all right," they say, "they may even throw us a word of praise for our good behaviour. But this good behaviour won't be good enough to extract a loan from them; or if it does the terms will be impossible."

The loan, then, has become the pivotal point of the settlement. This is due to no trick or manœuvre. It is the natural result of the impoverishment of Russia. Without a loan not only can the old debt not be paid but even the Russian market will remain a mere dream.

What, then, are we to make of the outcry in this country against the loan? The opponents of the loan adopt two main lines of argument. Firstly they say that Great Britain cannot afford to make the loan. Secondly they declare that no confidence can

be put in the Russian Government's promise to repay it. Money, they say, is now scarce and should be spent very carefully. It would be sheer waste to throw it into the coffers of the Bolshevik; while it could be spent to real advantage at home or in our colonies and dependencies. This argument is admirable as far as it goes. If it were merely a question of how to spend most remuneratively 30 or 50 million pounds no one would deny there are excellent first-class schemes of development in this country and in its colonies which are only awaiting an influx of capital. But it is not a question of an ordinary investment of money; it is a question of high national and international policy. It is a question of opening to British industry and trade a new and steadily increasing market of unlimited potentialities. The history of this country is full of instructive stories of pioneer work done and financial and human sacrifices made to obtain new openings in trade. Here is a question of risking a few million pounds for the sake of securing a dominant position in the Russian market. Yet we have the spectacle of an old and experienced British statesman, who a few years ago was sacrificing the taxpayers' money to the tune of 100 million in armed intervention in Russia's domestic affairs, imposing his solemn veto on an expenditure of half or even a third of that sum for the purpose of conquering the Russian market. Is this unreflecting prejudice or downright stupidity?

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The other argument which the opponents of the loan adduce is the untrustworthiness of the Bolsheviks. The attitude of mind behind this argument has no bearing on politics; it is a matter of sheer prejudice. No nation in Europe—at some time or other—has been free from distrust of some other nation. For over a hundred years the Russia of the Tzars was regarded in this country both by statesmen and by the man in the street as the typically untrustworthy country. Yet this secular distrust did not prevent either the conclusion of the *entente* of 1907 nor that orgy of eulogy of Russia which broke out at the beginning of the Great War. Here is one example out of many of the fulsome praise of Russia and the remarkable, almost unbelievable, change of heart which the war-time psychology brought about. "The British people," said a distinguished English publicist in March, 1915, "have forgotten all their old fears and doubts about the guardianship of the Straits, and will now look with pride and pleasure upon their possession by allies whom we have come to trust and to honour alike for their gallantry in the field and their good faith in the council-chamber." (*The Spectator*, March 6th, 1915.) But even the present Russian Government has suffered from the vicissitudes of the political atmosphere. Three years ago the Bolsheviks were present at a great European conference, and were there at the invitation of the very statesmen who to-day cannot sufficiently vilify them.

But apart from prejudice there is one element in this mistrust of the Bolsheviks which must be cleared up if Russia and Great Britain are to make any deal. One question which arises in this connection is whether in the normal financial way Russia's claim to a loan is justifiable. That is to say, whether she can give security for a loan. The other is whether, in view of her formal repudiation of her old debts, Soviet Russia is likely to repudiate any new ones.

If the previous eleven chapters of this book have failed to convince the reader that the change of economic conditions in Russia has brought about a genuine change in the political conditions of the country, and that the Soviet Government of to-day is but nominally the old Bolshevik Government, it is in vain to attempt at this stage to prove the utter absurdity of any fear that the Soviet may turn on foreign capitalists and expropriate their investments. The moment there is talk of the Soviet Government being entrusted with new investments anti-Russian propaganda starts reviving the old nightmare of revolution and expropriation. But those who refuse to regard a revolution as a mere orgy of mad destruction and consider it as essentially a change of property rights have no fear of Russia making another relapse into Communism. The Bolsheviks stormed the old semi-feudal Russian State and took possession of it. Their main concern now is to reap the fullest advantage

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of their victory. The invitation they are giving to the foreign capitalists is not prompted by any desire for confiscation, but by the necessity of developing the untapped wealth of their country. From a mere arithmetical point of view the fear of the confiscation of foreign investments is absurd. This foreign capital, however big it may be, will be only a fraction of the wealth which the Russian State hopes to obtain by its help.

The fear of New Russia's making a repudiation of her debts, because in the turmoil of revolution she repudiated the Tzarist debts in 1918, is about as inevitable as the fear that Great Britain may intervene in Russia to-day because in the turmoil of a great war and in face of an aggressive revolution she intervened in Russia in 1919. Repudiation is taken to be a principle with the Bolsheviks, and there are some simple souls who regard them as convinced defaulters. But the origin, aim and character of the repudiation of 1918 are still too obscure to allow one to decide whether this measure was taken on principle or from the view of expediency. I, personally, am inclined to think that expediency played a great part in this rash decision. At any rate, I can quote in support of my contention one of the members of the inner circle of Bolshevism. "If the Allies," says Radek in his survey of the foreign policy of the Soviet Government, "were willing to cut down the amount of Russia's debt to a sum which she could pay without becoming

a mere colony, if they would give her a moratorium to enable her to accumulate means for paying the debt, and if they would render her assistance in the task of economic reconstruction, we should surely never dream of obstinately insisting on a principle. The principle of repudiation is a schoolboy's and not a Communist's principle. Repudiation was for us a means of conducting the political struggle with the Allies, who waged war against us for several years. If the Russian workers could have achieved in 1917 what is now called the New Economic Policy they would have been the greatest fools had they preferred the miseries of Civil War to making such a deal."

If I am asked whether Russia can offer sufficient security for a loan I must frankly admit that a certain risk attends the entrance of foreign capital into Russia. But such a risk exists in the case of all foreign investments. The war has demonstrated clearly that the only comparatively safe investments for capital are those provided in one's own country. There is, however, one feature of the situation which seems to permit of a satisfactory settlement of the problem of security. This is the fact that the Soviet Government, unlike any other government, is a trading corporation, and consequently possesses in this country government property sufficient to cover any risk of default. In that sense the Soviet Government's claim that added to the British

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Government guarantee of the loan there will be superadded a Russian Government guarantee is not baseless.

But after all Anglo-Russian co-operation has a larger aspect than can be defined in terms of economics. The peculiar significance of Russia is that it is at once a European and an Asiatic country, with a European and an Asiatic policy. The European position of Russia towards this country seems to present few difficulties. In fact the revival of the doctrine of the balance of power makes an agreement between Russia and Great Britain in Europe almost essential. Indeed the more French hegemony in Europe is developed and consolidated, the more necessary it becomes for this country to bring in Russia as a counter-balancing factor. Moreover there is a likelihood that Russia herself may some day be drawn within the orbit of France. To-day this chance is perhaps remote: but those people who think it absolutely impossible are probably unduly optimistic. In the first place they fail to take account of the growing popularity in France of the idea of renewing the old alliance with Russia, and secondly they rely too much on the inherent improbability of New Russia allying herself with France in the latter's present mood. Certainly Russia fears and suspects France; but she badly wants a strong friend in Europe, and this may be a factor in deciding her attitude towards France. Yet, even if Russia remains outside France's orbit, no

genuine balance of power can be established while Russia's attitude remains uncertain.

The real difficulty which this country finds in dealing with Russia, however, is Russia's Asiatic policy. The secular antagonism in Asia between Russia and England has, since the outbreak of the Russian Revolution, been accentuated and complicated by the fact that Russia now poses as the spiritual leader and spokesman of the so-called Asiatic renaissance. Admitting as I do the gravity of the situation, I should like to make a frank attempt to find out how it has arisen and what it really represents. The popular explanation of unrest in Asia is Bolshevik intrigue and propaganda. I know a little about Bolshevik propaganda in Asia; but my contention is that this propaganda is not the cause of this unrest but a clever attempt to exploit it. I candidly believe that this unrest was brought about by the war and most directly by the spectacle of the dissolution of the great Empire of Russia into so many independent States. The evacuation of Persia by the Russian army, the dramatic abandonment of all Russia's concessionary rights and privileges in Central Asia, coupled with the wide publicity given to the idea of self-determination, struck the imagination of the entire Asiatic continent. Russia herself was in the end saved from dissolution by a prompt recognition of facts. She saved her Empire from final breaking up by giving the fullest play to these centripetal forces. In the

end she lost only a few of her more heterogeneous western border States and is now more or less on the road to welding together the rest. Yet in Asia the Russian example is still capable of impressing the imagination of the many races of that continent. The instinct of nationality has been awakened in the Asiatic peoples and is now so strong and articulate that it has to be met in an intelligent way.

During my frequent visits to Russia for the last few years, I have become more and more impressed by the evidence of "Asiaticism" prevailing in Russia. The life in the streets, the dealing and bargaining in the open markets, the crowds aimlessly strolling about, the shops and the buyers, even the dress of the people—from the Muscovy-Tartar style of the uniform of the red army and the dandified brimless Bokhara caps of the young bloods—the very mentality of the people, all are proof of Russia's gigantic stride back towards Asia.

This outward aspect is accompanied by a sort of *réchauffé* ideology asserting Russia's cultural mission in the East. The old division of the Russian intelligentsia into Westerners and Slavophiles has now been given a perfectly new interpretation. The Westerners, who looked upon Russia as part and parcel of general Western Europe and therefore believed that Russia had simply to adopt and assimilate Western culture in ideas as well as in technique, now maintain that Western culture is

bankrupt and that the leading rôle in Europe is passing to Russia. The new Slavophiles, on the other hand, have dropped their idea of a Panslavist Russian Empire versus the Pangermanic idea, and declare that Russia's mission lies in the East.

The oscillations between these two ideologies mark the recent trend of the Soviet foreign policy, now one, now the other prevailing. While Russia was isolated, the Eastern policy held the field. Europe—"decayed, putrescent, bound in capitalist fetters and still awaiting purification from the flames of revolution"—was despised and considered negligible. The interest of the Soviet diplomacy was, therefore, directed to the East. When, however, the blockade was raised, and the hope of a rapprochement with the West arose, the Eastern policy of the Soviets gave way to a distinctly Western orientation. The "active" Eastern policy expressed in such hazardous enterprises as the Baku Conference and Persian adventures was not only given up, but Moscow experienced even a sort of shyness regarding it.

Since then the alternating chances of success or failure in a rapprochement with Europe have always been accompanied by a corresponding ebb and flow towards a revival of Soviet activity in the East. In the winter of 1922, when the Soviet Government confidently expected great results from the Genoa Conference, the Eastern orientation was completely forgotten. The

"Eastern schemes" were so much given up that the Turks and the other Eastern friends of the Soviet Government became rather uneasy and began looking for friends elsewhere. The defection of Enver Pasha is certainly explained by the marked indifference of the Soviets at that time to Eastern activities.

As might have been foreseen, the failure of the Genoa and the Hague Conferences to agree on the Russian question once more brought the East to the foreground. I met in Moscow Soviet diplomatists who were staunch adherents to a Western orientation—some of them even took part in the Genoa Conference—who became enthusiastic supporters of an active Eastern policy. Disappointment of obtaining help from Europe was almost general in Russia, and all hope was then concentrated on the assistance which might be obtained from a rapprochement with Persia, China, and Japan.

It is quite conceivable that an agreement with Russia in Europe would of itself have the effect of relieving the tension in Asia. Modern Russian history is permeated by the intense desire of the people to become a European rather than an Asiatic nation. The progress which the cult of Asiaticism has made lately in Russia is to a certain extent the result of the ostracism of Russia by Europe. The Russians are now apt to boast that, whereas they used to be considered the most backward country in Europe, they can now claim to be the most

advanced country in Asia. The longer they are excluded from Europe, the more ready they are to revel in Europe's decay and to prophesy Asia's great future, material and spiritual.

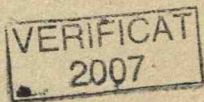
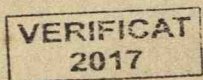
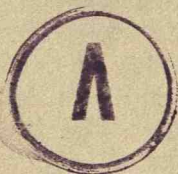
To avoid misunderstanding I should like to say that this philosophy of Russia's trend towards the East is not exclusively Bolshevik. Among the anti-Bolshevik emigrants there is a group of brilliant writers and philosophers who are very fond of discussing the prospects of a new European-Asiatic civilization which is destined to replace the old and decaying Western civilization. This group has even founded a magazine at Sofia called *Eurasia* in which its members ventilate their views. This prevailing interest in Asia may be partly due to the fact that Russia has been driven to the East by the events of the war. The loss of the Western provinces and the change of capital from Petrograd, the window looking into Europe, to Moscow, the gateway to Asia, are the geographical facts of the new Eastern ideology. But the spiritual trend towards the East is by far the more important factor. It is only natural that a nation which is considered barbarian in Europe and excluded from European politics and amity, and which at the same time is hailed in Asia as the apostle of liberation, should develop a preference for Asia and an antagonism to Europe.

The collision of interests in Asia between Russia and this country is undeniable. It is equally undeniable that Russia occupies at

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present a position in Asia much more favourable than any possessed by Tzarism. Tzarist Russia penetrated Asia by force of arms. The New Russia, which has seemingly abandoned the policy of military penetration, is winning over Asia by preaching the doctrine of self-determination. In these circumstances, the very serious question arises: Is Russia in Asia better kept as an enemy than as a friend?

An agreement with Russia in Europe would have the double advantage of maintaining the balance of power in the West and of terminating Russia's preoccupation with the East.



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