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RUSSIA IN 1924

By WM. Z. FOSTER

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Russia in 1924

(Report of Speech Delivered in Chicago, July 16, 1924.)

COMRADES:—It was my good fortune to spend four months of 1921 in Soviet Russia. While I was there I studied the situation diligently with all the resources at my command. I tried to see things as they were, not as I would like them to be. And finally, as a result of my investigations, I declared upon my return to the United States that, in my judgment, the Russian revolution was a success; that it had already surmounted difficulties pronounced altogether impossible, and that, even though it were still faced with problems utterly staggering in their immensity and complexity, the same invincible spirit that had carried the revolution onward to that point in the face of the most tremendous obstacles, would carry it still further, in spite of every barrier, until the final victory is achieved. I believed and said that the revolution had met its greatest tasks and had won the day.

Tonight I am glad to tell you that I was not mistaken in my judgment in 1921. I was not then carried away by a revolutionary optimism that blinded me to fatal realities, as many Liberals, Socialists, and Syndicalists said. The Russian revolution is a success. I can say that now with utmost assurance, upon my return from a six weeks' stay in Russia in April and May of this year. The valiant Russian Communists have fought the thing through to unmistakable victory. Even the capitalists of the world have been compelled to recognize that. The Russian working class have smashed a great breach in the wall of international capitalism. The exploiters can never patch it up again. It will

widen and widen until finally the great proletarian flood pours through and overwhelms the capitalist class all over the world. In Russia the sun of the new social order has dawned.

The Dark Days of 1921.

In order to give you concrete proofs of the success of the Russian revolution and to show you the indisputable earmarks of its victory, it will be well to recall to your mind the tragic state of affairs prevailing in Russia in 1921, at the time of my last visit. Those were, indeed, days to try men's souls. The people today look back upon them with a shudder. Industry and agriculture were at a standstill. The long years of the world war, the civil war, the blockade, the capitalist sabotage, and all the other upheavals accompanying the revolution, had done their deadly work to such an extent that the mass of the population, agricultural as well as industrial, was starving. Never in modern times has a people been confronted with such a desperate situation.

Anyone who lived in Russia at that critical period could not help but see the pinch of hunger and general poverty on all sides. Indeed, he was bound to feel it himself. I knew it from first hand information. Although a visitor to the country and living on the so-called "diplomatic ration," which was far superior to what the average Russian got, yet I found it inadequate enough, as I lost no less than 25 pounds in weight. Much worse, of course, was the fate of the masses in Russia at that time. All were thin, haggard, and worn out. Diseases made ravages on all sides. No one was getting sufficient food. To be fat or even "well kept" was prima facie evidence that one was cheating and getting more than one's share of the famine rations.

The workers lived on a diet that would terrify Americans or west Europeans. They were lucky indeed if they got regularly one-half to one pound of black bread daily. Many times I visited them in factories and watched them eat their horrible fare. I have seen the "soup", which was cooked in community fashion, so foul that one could smell the stench

of it cooking in the great pot long before coming into the factory. Often, after the workers had worked, there was nothing whatever to give them, not even the miserable *payok* (ration). I myself saw, right in a key government office, where every effort was made to keep things going, when they had to tell the workers at the end of the week's work that they had no bread to give them. The result was demoralization of the working force. In the same important office I saw carpenters, called to put in a job of shelving, beg first to be given some bread before they would go to work. Imagine the demoralizing effects of such a terrific food shortage, which ran all through the industries. The shortage of other necessities was just as bad. Clothes and shoes were practically unprocurable. Many people had not had a single new garment for several years. Particularly vivid in my mind were the conditions of privation which I saw at a normal school in Moscow. The professors were hungry and in rags, likewise the students. Some even had the soles of their shoes tied to the uppers with strings. But they were going ahead gamely, reorganizing the whole method of teaching. Their only particular complaint was that their new methods laid more stress upon the use of apparatus and materials than upon books, and such things were unbelievably scarce. Those on hand were irreplaceable. To break even a pane of glass, which could not be produced by the wrecked industries, was almost a crime. Housing conditions were frightful. In many places the people were literally tearing the houses to pieces and burning them for fuel. In 1921, the Russian city workers were starving, freezing, and generally impoverished; and as for the peasants, many millions of them were just sinking into what was destined to be one of the most terrible famines of modern times.

It was a desperate situation for the revolution and an acid test of the Russian working class. The capitalists of the world did not think the Workers' Government could withstand it. Like vultures they flocked around, awaiting the unholy feast which they felt sure would come with the approaching collapse of the Soviet regime. But they reckoned without their

host. The Communist Party proved equal to the impossible task. It was not only the vanguard, but also the rear and flanking guards of the proletariat. It was a great iron band which held the discouraged masses together and made them fight on long after they had lost heart and would have quit. In this great crisis the Party was the brains, and sinews and nerves and bones of the working class. It fought on doggedly and successfully when only those militants of the most unflinching courage and far-seeing idealism could sense anything but disaster in the desperate situation. Resistlessly and relentlessly, it carried the struggle on in spite of the most crushing obstacles.

The Crisis Past.

Those were the terrible days of 1921. But how different is the situation in 1924. A great improvement has taken place in the condition of the people, which means that the revolution is patently succeeding. But before going into details as to how and in what degree this improvement has taken place, let me deal awhile with a few general impressions and indications. Every place one turns one sees visible signs of the economic recovery. The people are manifestly stronger and healthier—it is safe to say that the men in the cities have gained at least 20 pounds in weight since three years ago. They are now full of life and energy, whereas, in 1921, everybody being hungry, no one stirred unless he was compelled to. Every visitor remarks at once the striking improvement in the appearance and actions of the people. The great epidemics of typhus and cholera, which raged during the early years of the revolution, have been practically wiped out and the most vigorous sanitary measures have been taken to prevent their recurrence. The fuel crisis is over. Although wood and coal are still high-priced and hard to get, they are not the life and death issue they were three or four years ago. No longer does one find the stove chimneys sticking out of the windows of the apartment buildings and blacking up the whole front—the steam heating apparatus has long since been put into order

again. One most striking improvement that I noticed was in the factory creches—houses for taking care of the workers' babies during work hours. In 1921 these institutions, however well meant, were really appalling for want of food and other essentials. But those that I visited recently were a real joy to look at. With at least the necessities of life to go on, they were filled with happy children. The people are much better clothed. Indeed, a Moscow crowd of today would not look out of place, so far as the quality of its clothes are concerned, in any city in eastern Europe. A remarkable development is the growing use of leather for clothing. One sees hundreds of men dressed from head to foot in leather—cap, coat, pants, boots, and all. In Moscow, Leningrad, and other big cities, the street cars, thoroughly cleaned, painted, and repaired, are running at more than pre-war schedules, whereas in 1921 they were forlorn looking objects, only an occasional one to be seen, and that always with its steps and handles broken away and otherwise in a general state of disrepair. The street lights are on in full again, whereas in 1921 there was not a street light in all Moscow. Likewise, the telephone service, what there is of it, is in good operation and repair. Indeed, one can get a number as quickly in Moscow as in New York, which perhaps, is after all not much of a compliment to Moscow. Everywhere buildings are being painted and repaired and streets repaved. The streets are crowded with vehicles, so much so that traffic police have been installed, although their primitive methods will hardly be copied by the New York traffic squad.

The Revolutionary Workers.

But far more encouraging than the signs of improved well-being, which are upon all sides, is the better morale of the working masses, which is likewise everywhere in evidence. In 1921 the revolution seemed practically a lost cause to all except the devoted minority of Communists. They, it was, who held the masses together and literally made them fight on after they were licked. But now the situation is profoundly

changed. At present the opinion prevails everywhere that the revolution is a success. The only questions now are really matters of detail as to how the revolution shall be brought to its fullest fruition. There is still much suffering and hardship, but this is mild in comparison with the terrible conditions of former years. Likewise there is still much discontent among the masses of workers at their hard lot, but this discontent is no longer counter-revolutionary, or available for counter-revolutionary purposes, as it was, say, at the time of the Kronstadt revolt in 1921. There are still some strikes, but they are of a minor character, and the era of desperate peasant uprisings has ended. The solidity of the revolution was demonstrated during the recent crisis in the Russian Communist Party over the questions of democratizing the Party, etc. The discussion shook all Russia. But it wound up constructively with a newer and better unity in the Party. Anyone who had attempted to use the profound agitation for counter-revolutionary aims would have had the surprise of his life. Recently an American correspondent paid a left-handed compliment to the prevailing spirit of optimism by declaring that the way things were going the kulaks, (rich peasants) would overthrow the government in about 10 years. Formerly such correspondents enthusiastically saw the collapse of the Soviet Government from month to month, but now they have had to shove it off for at least 10 years. But the Russian workers are not afraid of the kulak any more than of his city pal, the Nepman. They have a very sharp weather eye upon both and will take care of them in good season and in thorough fashion. The workers now know that their revolution is a success, and this optimism gives them added power for the solution of the many tremendous problems still ahead. One of the first things that struck me upon entering Russia, after passing through depressed and poverty-stricken Poland and Germany, was the happy and optimistic appearance of the people. The very air of Russia now is permeated with victory and hope.

In the factories the workers' revolutionary spirit burns

high. They are politically the best educated workers in the world. They are great internationalists, following eagerly the events in all countries. They are especially interested in America, home of the highest technical industrial development and the great stronghold of capitalism. They look forward eagerly to the world revolution and they are doing their share to bring it about. In spite of their own impoverished condition, they rally with funds and other aid to every mass movement of workers in Europe making a real fight, and when the opportune time comes they will give more substantial aid with the Red Army. They are the backbone of the Ruhr relief, and the International Red Aid. Indeed, sometimes the unions have to forbid collectors for various revolutionary causes from going to the factories to ask assistance, because the militant workers will always vote a day or two's pay, although to do so means to work real hardship upon themselves. In other respects the workers are equally militant. An interesting illustration of this took place while I was in Moscow. This was in the election of the committees that manage the various apartment and tenement houses. For some time past there had been a tendency to be lax in this matter, with the result that Nepmen and other unscrupulous, non-revolutionary elements, got control of the housing committees in many buildings. They then used their control in a class sense, giving favored locations, lower rent rates, and other advantages to their friends. Besides, they neglected the houses and allowed them to fall into disrepair. But in the election of these committees this Spring, the workers cleaned up on the non-revolutionary elements, driving them out of control everywhere. It was a most interesting phase of the class struggle and it caused much comment throughout the places affected.

I saw two demonstrations while in Moscow this last trip which were illustrative that the revolutionary fire is still burning brightly, hostile critics to the contrary, notwithstanding. The first was on Easter morning. This was a great holiday in old Russia. The celebration this year began at midnight, and although it was already late in April, a full foot of snow

fell in the evening. The whole town became alive, the old folks going to church and the young ones demonstrating against the whole religious mummery. I visited many churches and found in them only mere handfuls of old human relics of former times, except in the case of the cathedral, which was the rallying point of both sides in the demonstration. It was packed, mostly with curiosity seekers. The youth marched through the city, boys and girls together, gaily singing revolutionary and anti-religious songs. They made not the slightest interference, however, with anyone who cared to celebrate in the old manner. The Russian church is in a bad fix, morally, financially, and every other way. The sins of its long betrayal of the people into the hands of the Czars are coming back upon its own head with a vengeance. Its priests are lean and poverty stricken, for comparatively few are foolish enough to voluntarily feed them. I have seen them begging on the streets, and one I saw marching between two soldiers, arrested for common thievery. That seemed a curious sight and I was interested to see how the people would take it. But I saw no one show the slightest sympathy as the culprit was taken away. The churches are bedraggled and run down at the heel. Doubtless many of them will be eliminated in the next few years as public nuisances, for the Russian clericals had the habit of building their churches so as to block the most strategic points in the city. It seems as though they wanted to stick their religion right into the teeth of the people. The revolutionary proletariat is not in a mood to suffer such needless blocking of the city's life streams. Before many years, no doubt, Moscow's famous 40 times 40 churches will be considerably reduced, not to speak of what will happen in other cities. The Easter celebration this year was a brilliant example of the revolutionary spirit of the Russian proletariat.

The other demonstration that impressed me was on May Day. This was a tremendous outpouring of the workers. It seemed as though all Moscow was there. For a full eight hours the living stream of humanity poured through the Red Square. From 500,000 to 700,000 were in line. Never until I

saw this great demonstration on Labor's international holiday, did I really comprehend the meaning of the term "the masses". It was overwhelming. The whole affair fairly flamed with revolutionary meaning. Those who are foolish enough to believe that the revolutionary spirit of the Russian workers has died down, are due for a rude awakening if they depend much upon their assumption. I was enthralled by the demonstration.

The most striking thing about the celebration was the boundless enthusiasm of the marchers. Nothing could kill it. How they roared out the revolutionary slogans, always ending with the lusty Russian "Hurra". During most of the parade a driving rain prevailed. But it did not dampen the spirit of the workers, much less break up the procession. I pictured to myself what would have happened to an American parade in such a storm; it would have gone to pieces in 10 minutes. But the sturdy Russians were undismayed by the cold rain. They stood in it and marched in it for hours apparently oblivious to all hardships. Not 2% of them left the line. The masses were out to celebrate the great day of the working class, and a storm or two, more or less, could not hold them back.

The great parade was made up of every conceivable unit of the workers, their wives, and their children. There were trade unions, factory groups, Red Army units, schools, universities, athletic societies, Party branches, and a score of other formations. All marched together in one great fraternal demonstration past the mausoleum of the dead genius of the revolution, Nicolai Lenin. There were tens of thousands of children, some so small that they were unable to keep the pace of the main body and had to march on one side. Multitudes of women were in line. There were a thousand interesting characters, men carrying their children pick-a-back, war cripples struggling along on crutches, old patriarchal looking peasants, who somehow found themselves in town and in the demonstration. One man I met I will never

forget. He was a Red Army officer, a Cossack 82 years old. He seemed to express the very soul of the heroic revolution. Many years ago he belonged to the Czar's army and while there killed a tyrannical officer. For this he spent 35 years in Siberian exile. He was there when the revolution began. Immediately he joined the revolutionary army and he has stayed with it ever since. During the campaign against Kolchak he was decorated twice for bravery. And there he stood for eight hours reviewing the parade, a patriarch in age but young in spirit and body. Straight as an arrow and as lithe as a man one-half his age, he braved the driving, chilling rain without a thought that he was undergoing a hardship that would kill an ordinary man of his age. There must have been 10,000 great flaming red silk banners in the parade, and at least 1,000 bands, for every group has its own band. In 1921, I saw several big demonstrations of the workers, but they were nothing like this. The masses then were starving and lifeless. But this great May parade was an outpouring of the healthy, vigorous, buoyant, consciously victorious proletariat. One would have thought that its tremendous enthusiasm would have relieved the workers' surplus spirits for months to come, but, so full of revolutionary vim are the latter, that, a week or two later, a similar monster demonstration took place in protest against the raid upon the Soviet Embassy in Berlin by the German authorities.

The Great Revolutionary Problems.

But enough of general impressions, valuable though these may be to indicate the patent fact that the Russian revolution is a success and that it has been accepted as such by the masses. Now let us get down to mere specific facts, showing just how the revolutionary workers are solving the problems which must be solved if the new order of society is to live and to develop into Communism. In the brief time at my disposal, I shall not vex you with elaborate statistics, but a few at least will be necessary.

In my book, "The Russian Revolution," written after my

return from Russia in 1921, I stated that there were three great problems that the revolution, since its beginning in 1917, had had to face, 1) governmental, 2) military, 3) industrial. By that time the first two of these had been actually solved. The workers had not only succeeded definitely in overthrowing the old regime and establishing the dictatorship of the proletariat, but they had also succeeded in defending their rule in the face of the hostile capitalist rule. Wrangel, the last of the counter-revolutionary invaders, had been crushed late in 1920, and the Kronstadt revolt beaten early in 1921. The big problem left was the third one, that of rehabilitating the ruined industrial and agricultural systems, so that the people could be given the higher standard of living which they must have if the revolution were to survive.

Everything depended upon the solution of this central problem of reviving the economic life. The general problem manifested itself as a multitude of specific problems, all of which had to be solved at least in part before industry and agriculture could be revived. A few of the more important of these subsidiary problems were the breaking of the economic and political blockade which was strangling Russia, the establishment of a stable currency in place of the debased ruble which was making all real accounting systems impossible, the development of a state budget and the balancing of it, the utilization of the dangerous experiment of the New Economic Policy for revolutionary ends, the stoppage of the so-called declassing of the proletariat through the hungry factory workers scattering out upon the land, the abolition of sabotage by the supporters of the capitalist regime, the establishment of a new and effective system of proletarian industrial discipline in place of the old slave-driving methods that the workers had suffered under from time immemorial.

All these problems, and many more that might be mentioned, went to make up the general industrial and agricultural problem, which was so complex and difficult in 1921 as to stagger the imagination. The economic experts of the world, with complete unanimity, pronounced them totally in-

soluble. But their solution was absolutely imperative if the revolution was to live. As things now stand, three years later, hardly one of these problems has been actually solved completely. But real progress has been made with all of them. Not one has proved insoluble. Even though this progress towards solution has given birth to new and grave problems, the general result has been good and shows that the worst is over. The economic system of the country is getting under way again, the standard of living of the toiling masses is being steadily raised, and the permanency and success of the revolution is being assured. But let us glance very briefly at what has been done with each of the problems mentioned.

Breaking the Blockade.

Of all the factors that combined to break down Russia industrially and agriculturally, none was so disastrous as the economic blockade by which the capitalist world tried to strangle the revolution to death. It was worse in its effects than the world war, the civil war, the wholesale sabotage, or any other single factor. It was death to the economic life of the country. Before the war, Russia did an average export business of 1,504,000,000 rubles per year; of this 90% consisted of agricultural and timber products. Of the peasants' total products, 45% was thrown upon the market, about half of this going abroad. But the world war, followed by the revolution and the blockade, completely destroyed this foreign trade. Agriculture was ruined for want of a market. The same happened to industry. Not only was the importation of vital manufactured goods and machinery necessary to the life of industry, completely stopped, but on the other hand, the peasant market vanished as well. The relations between city and country were broken. Industrial production fell almost to zero, and the peasants raised barely enough food stuffs to live upon. So far did the collapse of agriculture go that in 1921 we saw the spectacle of Russia, the greatest grain growing country in the world, actually importing food stuffs. For this, the blockade, not the great drouth, was primarily

to blame, because, under ordinary circumstances, with a normal production of crops, Russia could have handled the famine situation entirely with its own surplus.

From the beginning, the Russian economists considered the breaking of the blockade and the opening of the world market to Russian trade of the most vital consequence. I remember a long talk I had in 1921 on this subject with Comrade Martens, formerly Soviet Envoy to the United States. He said that the fate of the revolution probably depended upon the breaking of the blockade. And when I saw him again this year, he had not changed his opinion. He measured the economic recovery of Russia pretty much by the extent to which it had succeeded in winning its way back again into the world market. The past four years have been marked by the most determined efforts to break through the death cordon wrapped about them by the international capitalist class. And these efforts have been a success. By playing one nation against the other, that is by getting separate sections of world capitalism to scab upon each other, the Communists have broke up the united front of the exploiters and have forced their way through the blockade and into the world market. Today a whole row of countries have been compelled (compelled is the right word) to grant Russia either complete or partial recognition. Among these are England, Germany, Poland, Czecho-Slovakia, Sweden, Japan, Norway, Roumania, and many others. The recent "left" elections in France have insured that even that reactionary country, one of the main points of resistance against Russia, will also have to sit down at the conference table and do business with the hated Bolsheviki. And wonder of wonders, the "progressive" wave now developing in the United States, may probably force even our ultra-conservative Government to recognize Russia.

That arch-political fakir, Lloyd George, said at least one true thing while he was in office. This was during the Kronstadt revolt early in 1921, when he said that if the Bolsheviki could survive that supreme test, the governments of the world would have to accept them and deal with them. And so it

has turned out in fact. Never was the sentiment more prevalent than now that the economic rehabilitation of Europe is impossible without the participation of Russia. It has been a hard fight to force this conviction home. But the result is worth it. Already Russian exports and imports have reached 20% of pre-war figures, and are rapidly growing. The growing imports and exports are breathing the breath of life into industry and agriculture all over the country. Speaking to the Moscow Party Conference, on May 14, 1924, on the subject of the development of foreign trade, Comrade Kamenev said:

“The government export (all exports and imports are government controlled) has been so developed by us during the last year that we completely carried out the program laid down in the spring. Last year we decided upon the renewal of the export operations which had been in abeyance for 10 years. We worked out a program for the exportation of 225,000,000 poods of grain this year. We can confidently state that we will carry out this program in full, and in such a manner that we will sure knock out the American grain. In fact, we have reconquered our old position in Europe in the course of one and one half seasons.”

The capitalist statesmen are looking askance at the advance of Russia through the barrier of the blockade. But they are powerless to stop it. They have tried to lay down as the basic condition for Russia's participation in world affairs, the payment of the enormous debts of the Czarist and Kerensky governments. But without avail. Although the Russians are willing to talk a lot on the subject, they refuse absolutely to pay or agree to pay. They have served notice on the world that they will not allow themselves to be enslaved and robbed of the fruits of the revolution. Nevertheless, they are being recognized by more countries and the process of breaking the blockade goes on apace. In another three years the terrible blockade, one of the greatest crimes in history, will be no more than a hated memory.

Stable Money—The Budget

None of the aforementioned problems is fully solved, but all are on the way to solution. That is the case with the breaking of the blockade, and likewise with the stabilization of the ruble and the balancing of the state budget. When the Bolsheviki came into power, they found themselves under the necessity of making tremendous expenditures to carry on the war, to keep the limping industries going, etc. To raise sufficient money by taxation was out of the question, so the expedient of inflating the currency was resorted to. Enormous quantities of paper rubles were issued to meet the deficit which the returns from taxation and from the state industries were unable to cover. As a result the value of the ruble went to zero.

Now the issuance of all this paper money was a vital necessity—some even declared that it saved the revolution, for essential supplies could never have been assembled in sufficient quantities otherwise than thru the sale of paper money. But the suffering economic system had to pay a high price for it. With the ruble on the toboggan, the building up of industry became out of the question. Accounting systems were impossible, and the peasants and other producers who had things to sell gave up the ghost rather than operate with the worthless rubles, which melted away in their hands. Hence the stabilization of the ruble early loomed as one of the pressing problems demanding solution. During the past year this has been practically accomplished. The issuance of the *cher-vonetz*, or hard money 10 ruble note, was a real achievement. It marked a crisis, in fact. The whole thing would have been a failure had the peasants looked upon the new notes merely as the old worthless ones under a new form. But the prestige of the Soviet government had risen so high, and the actual exhibition of the gold and precious stones held as reserves behind the new money, worked so well that when the *cher-vonetz* appeared it was at once accepted at its face value, not only in Russia but in all the money markets of the world.

For a while the government continued the debased ruble side by side with the sound *chervonetz*, issuing the paper money as of old to meet its debts. But during my recent visit, this dual money system, which was probably unique in history, was ended by the government cancelling all the debased rubles and throwing the entire money system on the basis of the stabilized *chervonetz*. Silver coins are now being issued in large quantities and will soon be followed by gold ones. Thus poverty-stricken, outlawed Russia, which does not even believe in a money system at all except as a thing necessary during the transition period between capitalism and Communism while independent production lasts, was the first country in Europe able to stabilize its currency. Germany, Poland, and other countries are now following in its footsteps, trying to make their broken-backed finance systems stand up.

Closely related to the stabilization of the ruble, was the problem of balancing the state budget. This, too, has been almost accomplished. For several years after the revolution there was practically no budget. The situation was chaotic. Questions of state income and expenditure were largely matters of speculation. This was the natural result of the tremendous revolutionary upheaval, the civil war, and the other factors that shook things up generally. However, within the past three years, not only has the budget been built up, but expenditures have been practically balanced with income. This year the state deficit will be only 10 per cent, and next year it is hoped to wipe it out altogether.

The accomplishment of these two vital financial measures, the stabilizing of the ruble and the balancing of the budget, are doing much to put Russian industry on its feet. They lead directly to economy and efficiency in every field of activity. At last it is possible to make head or tail out of what is going on with regard to costs and prices. Industry and the government will now go ahead on a surer basis than ever. It is just so much solved of the general economic problem that almost overwhelmed and drowned out the Russian revolution.

The New Economic Policy.

Early in 1921 the New Economic Policy was introduced. The situation was a desperate one. The fledgling proletarian revolution was manifestly unable to meet all the industrial burdens placed upon it. So the government monopoly on industry was relaxed and domestic trading by private individuals allowed to some extent. It was admittedly a dangerous expedient, thus to introduce a degree of capitalism into Russia. Many said that the remedy was worse than the disease, and that the revolution was doomed. Especially was this dolorous song sung by the pseudo-revolutionists of the Emma Goldman and Kautsky type. But there was no alternative. The masses were hungry and had to be fed, on pain of the most serious menace to the revolution.

The great problem was to utilize for revolutionary purposes the industry and trade that would develop through the private initiative thus called upon. This has been definitely accomplished, despite the pessimists. He is blind who, visiting Russia, cannot see the lightening effect of private trade upon the general economic crisis. The good effects of the Nep have far outweighed the bad. The prophesied poisoning of the revolution has not taken place, although, here and there, a few supposedly sound revolutionaries have collapsed under it, a notable case being that of our erstwhile comrade Tobin-son, who did such good work in the Chicago Workers' Institute a number of years ago. But while exploiting its advantages, the Communists are not blinking the unquestioned dangers of the Nep. Kamenev, in the speech I mentioned awhile ago, pointed out the menace of the extensive private capital now employed in the distribution of food, clothing, etc., the only branches of industry where the Nep has a real foothold. He cited the following figures to show the kinds and percentages of capital in this line:

	Government	Co-Operative	Private
Wholesale	78%	8%	14%
Wholesale-Retail	40%	10%	50%
Retail	7%	10%	83%

A bad feature of the private control of retail trade, which is so largely in the hands of the Nep, is that very much of it is in the villages, where the business is small and the individual Nepmen can operate to better advantage than the more cumbersome government and co-operative machinery. Kameney pointed out the political danger in this and declared it would never do to have the Communists appear to the peasants merely in the role of tax collectors, while the private traders were allowed to bring them the advantages of reviving industry. The peasants, who reason only from very concrete things, might easily conclude that the organizer of the new prosperity was not the proletarian state but the private middleman. Kameney maintained that the conquest of the peasant market is of supreme importance to the revolution, and he indicated the co-operative as the means to accomplish it. Every effort must be put forth to develop the co-operative. He said, "As in the old long-past days, which we hope will never return, when we were crying 'Everything for transport' and 'Everything for fuel', we will now have to raise the slogan in the Party, 'Everything for the economic struggle against private capital and for the capture of the market through the co-operatives.'"

Private capital was allowed to resume limited operations in Russia as a servant to the revolution, as a sort of an industrial stop-gap, pending the time when the workers could take over every function of industry. It is not allowed to escape from this role. In order that industry may proceed undisturbed, the Communists prefer to defeat private capital, the Nepmen, in open economic struggle; that is, by better organization and service. But where these means do not suffice, and where the Nepmen assume a threatening attitude, the Communists do not hesitate to use more drastic methods, such as wholesale cutting of rates, open discrimination against the Nep business and in favor of government places, special taxes, and the like. And, undoubtedly, if the situation required it, still sharper political weapons would be used. Under no circumstances will the Communists allow the cap-

italists to entrench themselves and to menace the revolution. In Russia, Nepmen are, at best, looked upon as temporarily necessary evils. Politically they are disfranchised and socially they are virtual outcasts, except in their own circles. Despite the difficulties it has unquestionably bred, the Nep is a success for the revolution, and the difficult problem of at once exploiting it for the Workers' Government while avoiding its poisonous dangers, has been practically solved.

Declassing—Sabotage—Discipline.

Of all the factors tending greatly to hinder the revolution, few were more serious than the migration of the workers from the industrial centers to the agricultural districts. The workers, starving in the industries, left the cities and went into the country in the hope of getting enough to eat. This migration of the city proletariat countryward took on a mass character. Petrograd, now Leningrad, lost almost 1,000,000 in population, largely from such desertions. This process literally melted the cities away. It was the so-called declassing of the proletariat, the disintegration of the working class. It not only robbed the industries of workers who were most vitally necessary, but it also undermined the whole Soviet State by actually breaking up the working class itself, the foundation of the revolution. The revolutionary leaders viewed with the greatest alarm this dangerous declassing tendency, so menacing to the whole Soviet system. But the danger has now passed, almost entirely. At present the proletariat is being reclassified, if I may so express it. The tide of migration has reversed itself and is now flowing from the country to the cities. The workers, realizing that it is again possible for them to make a living in the industries, are streaming back en masse to the cities to take up their old occupations. All the industrial centers are growing rapidly in population. In Moscow, for example, the inhabitants in 1920 numbered 952,255, whereas, by 1923, the figure had jumped to 1,481,117. Other cities show similar great increases. Just as the declassing of the proletariat—the moving of the workers from

the cities to the farms—injured the revolution, so the reverse tendency—the coming back of the workers to the cities—is helping it. The return migration is giving the industries an abundant supply of the skilled labor which they so badly needed, and it is in many other ways strengthening the position of the working class. The fact of the workers thus moving back en masse to the cities, even if it is creating new problems as we shall see, is one of the most hopeful signs in the whole situation. It is proof positive that the economic life of the country is going ahead again. This is only another way of saying that the revolution is successfully mastering its greatest task, the industrial problem.

Another subsidiary problem, which greatly complicated the general problem of economic revival, was the persistent sabotage by the industrial experts, the engineers, superintendents, etc., of the old regime, many of whom perforce found themselves strategically situated in the Soviet system of industry. For the first several years of the revolution, although accepting positions and salaries in industry, they absolutely refused to go along wholeheartedly with the new order of things, obstinately hoping for the downfall of the Soviet Government and persisting in a widespread campaign of passive resistance and sabotage. Possessing a practical monopoly on industrial technical knowledge, they easily managed to keep themselves in strategic positions and to carry on their nefarious program. The harm they did was immense and the problem they presented an exceedingly difficult one. But, like so many others, this apparently insoluble problem has also been largely solved, or, perhaps, dissolved would be a better term. In my recent visit economists told me that the studied obstructionism by the experts that did so much damage in the past is now almost ended. Various factors have conspired to kill it. For one thing, the growing strength of the Soviets has just about extinguished the hope among the industrial specialists for a return of the old order, and they have been driven to accept, halfheartedly if not enthusiastically, the new conditions, and to try to make the best of them. Another thing is

that the revolutionary workers placed at the head of the industries are learning the technique of management, and the many schools are turning out revolutionary technicians, all of which tends to break the monopoly of industrial knowledge formerly enjoyed by the old time specialists. Thus the latter are weakened in their campaign of sabotage. In addition, with the growing improvement in industrial organization, the workers are able to check up more closely on the unenthusiastic specialists, who have come to have a healthy fear of the punishment meted out to saboteurs. But in any event, the plague of sabotage is greatly diminished, and thus another big obstacle in the path of revolutionary Russia's economic rehabilitation is being swept away.

Finally, let me mention another problem that created no end of difficulty in the early days of the revolution. This was the question of developing a sense of industrial responsibility among the workers, of making the rank and file realize that they had to turn out the maximum production possible in order to lift Russia out of the slough. The task was to create a system of voluntary industrial discipline to take the place of the old-time slave-driving method. When I was in Russia in 1921, this extremely difficult problem occupied much attention. As usual, the pessimists said that it could not be solved, as the workers would not work unless they were driven to it. But this problem, too, is now far on the way to solution. Efficiency is making rapid strides among the Russian workers. This is to be seen on every hand. I might multiply instances of it, but my time will not permit. Most of this new efficiency comes from the added faith of the workers in the revolution, coupled with the fact that they are now getting sufficient food to really enable them to do a good day's work. Where necessary, the workers have not hesitated to introduce piece-work and bonus systems to produce better results. The Russian workers have learned that there is a world of difference between these methods when they are voluntarily adopted and utilized for the revolution, and when they are forced upon the workers by greedy employers seeking only their own pro-

fits. It is the same kind of difference as that between the Red Army and the Czar's Army, and the workers understand it thoroughly. The unions are the greatest champions of efficiency. Their working motto is that increased wages must be accompanied by increased productivity, a principle that sounds strange to unions accustomed to work only under capitalist conditions, but one altogether natural under a proletarian regime.

One of the finest things about Russian industry now is just this spirit of self-imposed discipline. The old coercive measures are done away with forever. A visitor to any factory is always struck by the fraternal spirit prevailing between the workers and the foremen. The conception of a boss or a driver is now unknown in Russian industry, except as a matter of unpleasant history. This democratic fraternalism that one finds in the industries also runs throughout the social life. The workers make no pretense at formal bourgeois democracy. They are not so foolish as to expose their new society, beset as it is yet with a thousand weaknesses, to the organized effort of a parasitic class to reinstate itself in power. But among themselves the realest kind of a democratic spirit prevails. Let me give a little illustration of it, which, although not altogether apropos, yet may have some value to indicate the general situation. One day, during a big demonstration, when the streets were crowded with people, I saw Karl Radek threading his way through the throng. The crowd recognized him about the same time that I did, and without a by-your-leave, a dozen men made for him and tossed him into the air unceremoniously a score of times. The place was near the headquarters of the Communist International, and a few minutes later, Budenny, the well-known cavalry general, who also was making his way along the street, was given exactly the same treatment as Radek. Of course both took it good naturedly—it would not have helped them any to do otherwise. As for the crowd, they looked upon it as perfectly natural, for after all, were not Radek and Budenny just two honored comrades of theirs? It was just a little incident of

present-day Russia, but I wondered what would happen in any other European capital if a street crowd were to try to similarly treat men as prominent in the government as Radek and Budenny.

Revival of Industry.

Consequent upon the solution, or partial solution, of the foregoing and many other problems, as well as on the improvement of industrial management generally, which is in itself one of the supreme problems, the industries are gradually being revived. When I was in Russia in 1921, it was the common expectation that, with the industries so completely collapsed, it would take them at least 10 years to make any real showing of recovery. But these lugubrious prophecies have been belied by the facts. The progress toward rehabilitation has been much more rapid than even the most optimistic would have dared to hope three years ago.

Although listening to statistics is tiresome, still I must inflict a few figures upon you at this point. Comrade Martens assembled the latest data for me relative to production, and I want to give you some facts drawn therefrom. Agricultural production has now reached about 75% of pre-war quantity, as against about 30% at the lowest point of the crisis. Heavy industry is now at about 35% of the pre-war rate, and light industry 69%. Industry as a whole is producing at approximately 45% of the pre-war standard. Compare this as against a general production of 12%, which was the rate at the depth of the industrial crisis in 1921. In various industries making typical showings, the following results have been produced:

Industry	1921-22	1922-23	Gains
Coal mined,	590,000,000 poods,	653,000,000 poods,	11%
Coal coked,	6,000,000 poods,	19,000,000 poods,	216%
Oil extracted,	224,000,000 poods,	317,000,000 poods,	40%
Gold mined,	272 poods,	452 poods,	66%
Iron smelted,	10,477,000 poods,	18,332,000 poods,	75%
Metal working,	45,131,000 rubls.,	66,058,000 rubls.,	47%
Textiles,	157,000,000 rubls.,	265,000,000 rubls.,	68%

In 1923, says Reznikov, another economist, production increased on an average about 50% over 1922. Many of the industries ran far ahead of the program set for them. Not only is production in general increasing, but so is the efficiency of the individual workers. In the textile industry last year, for example, the output per worker increased 17% over that of the previous year. Other industries made similar showings. Besides, the amount of coal burned per given quantity of products is rapidly decreasing, and other vital economies are being made, due to the better methods employed and to the healthier condition of industry generally. Comrade Martens gave me another official statistical table, relating to 20 basic industries and indicating the progress being made in various directions.

Month	Number of Workers	Value of total output	Value of monthly output per worker
October, 1922,	624,000	61,000,000 rubles,	88 rubles.
October, 1923,	844,000	94,000,000 rubles,	100 rubles.

All these figures, which I hope you have followed, prove conclusively that Russian industry is mastering its stupendous problems and is decidedly on the upgrade. But it is still weak and faced with enormous difficulties. One of these is to revive the peasant market, for the peasants, deprived of industrial products for so many years, have gone back largely to primitive methods of home production. Kamenev says that where the peasants bought 22 rubles worth of commodities before the war they now buy only 6 rubles worth. The Communists are not overlooking this important problem. They are working diligently to win the poor peasants' support by increasing their consuming capacity and then by furnishing them the commodities necessary to satisfy it. But the greatest problem now confronting Russian industry is to provide sufficient capital to operate the industries. Large sums of money are required to rehabilitate the old industries and to found new ones. But if this is not forthcoming in the near future by means of loans in the foreign countries, it will even-

tually be raised anyhow by Russian industry itself. Given a few more years' time, the Russian workers, in spite of the broken down state of their industry and its exceedingly meagre and primitive condition at the best, will develop an industrial system and a degree of prosperity that will surprise the world. As time goes on and each gain reacts upon the whole system, the present tempo of improvement is bound to increase. The existing condition shows that the Russian workers are definitely mastering the very greatest problem of the revolution, that of reorganizing the industries upon a proletarian basis.

Rising Wages—Trade Unions.

The essence of present-day Russia is that production is carried on not to line the pockets of a few social parasites, but for the benefit of all the workers. Consequently, as industry revives and produces a greater mass of goods, naturally the workers get the benefit of it in a higher standard of living. General wage increases have followed the increase in industrial production. Whereas in all other countries, the workers have suffered heavy reductions in wages and lengthenings of the workday, in Russia alone have wages gone up and the eight hour day been maintained. This fact speaks eloquently for the new society. The average wage increase for all Russian industries in 1923, was 25%. As compared with pre-war standards, wage rates in various industries are as follows: metal 52%, textile 82%, mines 38%, chemicals 75%, printing 73%, food 113%, leather 92%, paper 100%, wood 80%, railways 46%. In Moscow the workers of all classes earn on an average 93% of pre-war rates, and in Leningrad they earn 83%. The wages for all classes of workers throughout Russia are now about 65% of the pre-war average, and they are constantly and rapidly rising.

Corresponding to the improvement in industry and the wages of the workers, the trade unions are making definite progress in many essential respects. One is a substantial increase in membership. On January 1st, 1923, the unions

totalled 4,546,000 members; on January 1st, 1924, the figure amounted to 5,621,000. The unions actually engaged in industry, except transport, gained 35% in membership. Prior to the introduction of the New Economic Policy, in 1921, membership in the unions was virtually compulsory. Now it is entirely upon a dues paying, voluntary system. Fully 97% of all workers belong to the unions. Approximately 85% of them are financially in good standing in their organizations. At least 90% of the total trade union membership works under collective agreements. Of the industrial disputes that have developed, nearly all of which were settled without strikes, only 7% were settled in favor of the employers, which in most cases is the State. The unions are developing their educational work extensively. For this work they have organized 1562 cultural clubs, of which there are 1,000 located in the factories. In 1923, 160,000 illiterate workers were taught to read and write in the trade union schools. There are 689 trade union physical culture societies.

Unemployment.

As I stated earlier in my talk, the solution of some of the old problems confronting the revolution, has given birth to new problems. One of these is unemployment. It may seem strange at first blush that there should be unemployment in a country where the capitalist system has been killed. But such is the case, and for perfectly understandable reasons. Let me explain them briefly. In 1921 there was practically no unemployment in Russia, though there was not much industry either. But the number of unemployed workers throughout Russia is now estimated to be about 1,000,000. The number has been increased in the past year. Strangely enough, the number of employed has been growing rapidly at the same time that the army of unemployed is increasing. In nine months, from February to October of 1923, the total number of workers engaged in the state industries increased 10%.

The apparent contradiction of the army of the unemployed growing simultaneously with the army of the employed, is easily explained. The fact is that new supplies of workers are being assembled faster than the expanding industries can absorb them. Hence the growth of the number of unemployed, in spite of the progressive opening of the factories. The unemployed are coming from many sources. One factor is the reclassing of the proletariat that I mentioned earlier; that is to say, the coming back to the cities of large numbers of workers who left them for the country during the period of the greatest economic crisis. These returning workers help to swell the ranks of the unemployed. Then there are the demobilization of the army and the elimination of great numbers of needless office workers and bureaucrats from the state industries and government institutions in order to balance the state budget. Also there is the proletarianizing of the old bourgeoisie, the forcing down into the ranks of the workers of the remnants of the former ruling class. And finally, to mention only a few of the more important factors, the official list of the unemployed is swollen by the registration of all kinds of doubtful social elements, Nepmen and others, who register as unemployed in order to get the protection and advantages of being a worker-citizen. These advantages are many and great. For one thing, there is the unemployed benefits, of which I shall speak in a moment. Then there are the various rebates that the workers receive. For example, an unemployed worker gets his rent free, or practically so, while a Nepman may pay, for similar lodgings, as much rent as half a dozen families of employed workers. Naturally, the Nepmen and their ilk will not do this if they can possibly avoid it, so they make every effort to register as unemployed workers. Not all the purgings of the list can free them entirely from these cheats, of whom, even in Russia, there are still many. The trade union officials state that of the unemployed only about 35% are union members, which means, as practically all real workers are trade unionists, that large numbers of the unemployed have only slight real connections with indus-

try. The latest figures show that only 8% of the total union membership is unemployed.

It is noteworthy that the unemployment in Russia is not smashing the wage scales, as always happens in capitalist countries during "hard times." The verification of this fact is furnished by the figures cited earlier on wage increases. The explanation is that in Russia, wage rates are not based upon how little the workers can be driven to accept, but upon the revolutionary principle of an equitable division of the total wealth produced and available for distribution among the workers. Present-day Russia presents the anomolous picture of rapidly increasing wage rates and a growing army of unemployed.

The only cure for the unemployed problem now vexing Russia will come when the expanding industries catch up with the increasing supply of workers, which, if present indications are valid, will not be very long. In the meantime, however, the State, recognizing the right of the workers to either remunerative work or free sustenance, has developed an elaborate insurance institution. The law forbids the workers contributing anything to this fund. The insurance applies to workers thrown out of work for any cause. The following official table shows not only the extent to which unemployed workers are taken care of, but especially the great improvement that is taking place in the insurance rates. The table indicates the percentage of wages paid to the unemployed.

Place.	Date	Temporarily Incapacitated	Totally Incapacitated	Unemployed
Moscow,....	Jan. 1, 1923,	72%	42%	27%
Provinces,	Jan. 1, 1923,	64%	30%	20%
Moscow,....	Jan. 1, 1924,	92%	100%	60%
Provinces,	Jan. 1, 1924,	89%	66%	54%

In Conclusion.

Has what I have said conveyed the impression that everything is rosy in Russia? I hope not, for I have not wanted

it to do so. Living conditions are still difficult, so much so that Americans compelled to bear them would soon cry quits. But the important fact is that they are a tremendous improvement over the frightful conditions which prevailed a few years ago. It is this improvement which shows the progress of the Russian revolution to success and which encourages the workers to still greater efforts. Bad off as the workers still are, all they have to do is to think back to the civil war, famine, plague, and starvation that marked the early stages of their death struggle with capitalism, and then their present evils seem light in comparison. They know full well that if they could overcome those awful conditions and bring industry to its present improved condition, they will also be able to vanquish the comparatively simpler problems now confronting them and to carry the revolution on to final and complete success.

The way taken by the Russian working class has been a long, hard, uphill struggle. It has tried the last ounce of their courage and endurance. But hard as it has been, it is the road that the whole world's working class must travel. Capitalism has had its day. It cannot be patched up and made liveable for the workers, whether the patching is done by a Gompers, who frankly admits that he wants to perpetuate the present system, or or by a Hillquit, who hypocritically tells the workers that he is establishing Socialism. The capitalist system must be abolished root and branch, and the Russian working class have shown the workers of the world how to do it. The Russian revolution unquestionably still has many great battles to fight. A thousand difficult problems yet remain to be solved, and no longer is the matchless leader, Lenin, at hand to help solve them. But the revolution will live, and as it establishes and fortifies itself, it will be an ever greater stimulus and inspiration for the international working class.

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