

# THE NEW ECONOMIC POLICY



By D. Ivon Jones

**T**HE Fourth Congress of the Communist International was as epoch-making as its predecessors. It was held after a year's experience of the New Economic Policy, or "Nepo," as everybody in Russia now calls it. That which a year ago was signalled as a serious retreat is now established as an inevitable transition period in the revolution. Comrade Zinoviev has declared that even some of the most highly industrialised countries will have to go through this phase. The New Economic Policy was a retreat for the Russian revolution in the relative sense, because in its onward rush it had made such sweeping conquests as to give it plenty of room to manœuvre. For the revolution in the other countries it will be the way of the first advance.

If we compare the present conquests (with all the deductions involved in "Nepo"), with the programme adumbrated by Marx in the *Communist Manifesto*, it will be seen that the Russian revolution has made all "the despotic inroads" on capitalist property contemplated in that memorable document. The *Notes on the Gotha Programme* are also interesting in this connection as showing the mind of Marx on the first phase of the revolution.

Although Comrade Lenin did not declare himself so definitely as did the President of the Comintern in regard to "Neпо," as the way of advance for all parties, he left no room for doubt that the lessons already learnt from it have enormously lightened the task of the revolution in the western countries. Since it has been decided by the Fourth Congress that all the Communist parties must submit a party programme it may be helpful to the British comrades to record the ideas which arise in the minds of a "Western" Communist, ever concerned about the results of Neпо, in moving about the streets of Moscow for several months, noting the application of the policy in one or two places in the provinces, and relying on the material to be found in the ample pages of that most wonderful of newspapers, *The Pravda*.

The lessons learnt from the New Economic Policy imposes upon us the duty of clarifying our ideas and those of the workers as to what is and is not involved in the capture of power by the proletariat. We all made propaganda in the first two years of the revolution trying to show that the Russian worker, in spite of his Promethean suffering, was already better off than the worker in the West. We called upon the revolution to cash out immediate results for our propaganda purposes, even with a war on nine fronts. Like the capitalists, we were too impatient to give long credits. Hence, when "Neпо" came, there was a stampede in the other direction, and the revolutionary enthusiasm of the Western workers received a set-back. Trotsky, in an article on Red Military Strategy, refers to the necessity and difficulty of habituating the Red soldier to the idea of retreat as an essential condition of manoeuvring in war. And one cannot help admiring the steadfastness of the Russian Party in the retreat on the political front last year. As Lenin said, the retreat was carried out in good order.

The Communism of the Civil War period thus helped to create in our minds the illusion that the proletarian revolution involved the immediate socialising of every form of production and distribution down to the village shoemaker. And it appears as if the Russian leaders too, ever ready to take hints from history, thought that the Civil War, making necessary the wholesale expropriation of the revolting and sabotaging bourgeoisie, had liquidated the process of transition in the fierce crucible of the conflict. But as far back as 1918 Lenin had already declared that "State Capitalism" would be a more progressive form for the Proletarian Republic than the species of socialism then prevailing. Much of the Communism of the Civil War period differed very little in form from the "War Socialism" of the Imperialist States, except that the one was in the interest of the workers, and the other in the interests of the capitalists, which, of course, makes all the difference in substance. But both were war necessities.

"Mankind undertakes no tasks for which it has not had the proper training," declared Marx. Lenin, in his speech to the Congress, referring to the Kronstadt Mutiny and the peasant risings of the early part of 1921, said: "The cause of it was that we advanced too rapidly in our economic expropriations, before assuring for ourselves a sufficiently strong base. The masses already felt what we were not yet able to formulate, but which we very soon recognised, namely, that an immediate transition to pure socialist distribution exceeded our effective strength, and that if we did

not show sufficient capacity to make concessions and confine ourselves to less difficult tasks, we were threatened with destruction."

A year ago, during the Third Congress, we saw the New Economic Policy being introduced, into one domain after another, while remnants of "War Communism" remained. Long queues of workers were still to be seen waiting for their bread rations, while the new bourgeoisie passed by—for these no need to stand in that weary bread line. It was hard for many members of the Party to relinquish the old ideas. But Lenin was incessantly pushing forward to the new basis. "Any attempt to cling to the old forms is misplaced," he told the Party Congress. Now, after eighteen months of "Nepo," Comrade Varga comes to the Fourth Congress and emphatically declares that the Russian working masses in Moscow and Petrograd from his own observation are already better fed and better clothed than the workers in the Central European countries. And Russia is only beginning to rise. Comrade Zinoviev told the Comintern delegates that the enthusiasm of the working masses for the Communist Party, as demonstrated in the anniversary celebrations this year, exceeded anything seen since the great October days in 1917.

The Russian lesson teaches us once more that for every social advance there must be a basis for it in the experience of the people. It shows that the economic forms of Communism must grow in the friendly atmosphere of the Proletarian State power, rather than be instituted by decree. History is ever urging us forward, and ever telling us: "Young man, you've left something behind," and sending us back for it. The proletariat captures control of capitalist monopoly, the trusts, the mines, the land, etc., but retains bourgeois free trade and exchange as the only effective stimulus in the period of reconstruction; and thus, in return for a tribute in the form of profit, makes the petty bourgeoisie serve the community in the way they can function best.

### **How "Nepo" Leads to Communism.**

The New Economic Policy puts to us again the old question: Why do social classes struggle for political power? Is it not in order to protect their interests? Nay, more! Is it not in order to provide a field for the further development of their special modes of production or property relations? When the revolutionary bourgeoisie in England and France fought for political power, it was not because they had no room to exist merely—indeed, they were very useful to the feudal nobility in their growing impecuniosity—but because they had no room to develop. They were yet but fledgling capitalists when Cromwell captured power. They needed that power in order to expand the capitalist mode of production.

Precisely so with the proletariat. It needs to capture power not only to protect its very existence, but also in order to develop its own appropriate form of production and distribution, the co-operative one. But this implies that it is not yet able, on the very morrow of the revolution, to apply its own forms of production and appropriation to all spheres of economic life.

Without large industry there can be no proletariat. Without a proletariat there can be no revolution. Without all these there can be no Communism. Under "War Communism" large industry languished, the proletarians were getting declassed, scat-

tering in all directions. To-day the industrial proletariat is on the increase, and with it increases the enthusiasm for Communism. "War Communism" was perforce a community of privation. The Communism we strive for can only come from superabundance. The first task of the Proletarian State therefore is to produce superabundantly.

The New Economic Policy mobilises the petty bourgeoisie of the towns into the smaller forms of trade and industry by the medium of free exchange. This petty trade is an auxiliary of the large state industry, helping the latter to expand, and inch by inch to squeeze out its small competitors, just as machine production inevitably squeezes out small production everywhere. And as large capitalist industry squeezed out handicraft gradually and almost imperceptibly (the victims only knew they were out of work), so large state industry in the Proletarian Republic, after a period of competitive training, will painlessly eliminate the petty producers as they become superfluous. Large state industry will expand to agricultural production. It is not Communism that introduces the machine. It is the machine that will introduce Communism. Lloyd George said that Bolshevism can't make locomotives. More wonderful things happen: locomotives can make Bolsheviks. No further decrees are necessary reversing the New Economic Policy. Though "Neпо" is a retreat, the advance does not involve its reversal by decree. The advance has already begun, via the New Economic Policy; we are marching around another way.

It is emphasised by Lenin that at bottom the New Economic Policy arose from the need for an effective economic link between the peasants and the town proletariat. The petty bourgeoisie cannot be separated as persons from the petty bourgeois mode of production. Capitalist industry is easy to capture because the capitalists take no part in the production. But the petty producers are a tangible economic mass which cannot be ignored as individuals. Unlike the capitalist class they represent an economic problem even when we have swept away their mode of production, and in Russia this mass is huge. Hence the imperative necessity to reckon with their traditional forms of production and distribution.

### **The Status of the Petty Bourgeois under "Neпо."**

When the class-conscious worker walks the streets of Moscow and sees on all hands the shopkeepers busy displaying their wares, how does he feel about it? I fancy he feels just about the same about it as under capitalism—this small fry is not the enemy. There, back in the less frequented streets where there are few shops, are the great factories, owned and controlled by the proletariat.

While the shopkeeper is busy buying and selling, running to the country for stocks (each worker used to do it for himself in the old days), watching the rise and fall of the rouble, etc., we may be sure that he has all that his soul desires, that he is too absorbed in his pursuits to mix in political intrigue; and what is more, in the total account is producing values, at a profit to be sure, but values which would not otherwise exist. In the period of "War Communism" the large number of unwilling petty bour-

geoisie in the factories only served as sabotaging deadheads, demoralising the rest.

The contradiction of capitalist society, as Marx taught, is that production is social while appropriation is private. "Very well, then," declares the revolutionary proletariat, "we will take and hold those industries where production is social, and make the fruits of them also social. As for the rest of you, you petty producers, we will deal with you in kinder fashion later on."

Trotsky, in his masterly analysis of the New Economic Policy at the Congress, dealt with the dangers to the proletarian regime arising from free trade, and was disposed to make light of them. Lenin, on the other hand, when the policy of concessions to foreign capitalists and the new economic policy were launched, spoke a great deal about these dangers, and urged the party to eternal vigilance as the price of power. The writer had a talk not long ago with an old party member, a mine blacksmith, who had worked on the Urquhart concessions before the war; he said he was less afraid of industrial concessions, as they increased the numerical strength of the proletariat. This old proletarian fighter was strongly in favour of granting the Urquhart concessions, also because it would mean the economic regeneration of that area. It is generally the intelligensia idealist, who is fearful. Under the proletarian dictatorship, the merchant bourgeoisie is far more difficult to get at. An article appeared in a recent issue of *Pravda* on the extreme difficulty of imposing an effective luxury tax, in spite of all attempts to do so.

But Comrade Trotsky observed that so far no foreign capitalists have come for concessions. The chief danger from "Nepo" lies in the ideological influence of the traders upon the youth. A "Speculant," or illicit trader, under War Communism was regarded by the class conscious youth as a thoroughly undesirable type of person. Much of that healthy aversion to the trader remains, and the noblest profession in the eyes of the Russian youth seems to be the engineer. While the Proletarian Dictatorship does not tolerate a free press for the anti-proletarian parties, it allows non-political journals to be issued by private entrepreneurs; and in these, of course, it is unavoidable that the more subtle forms of anti-proletarian ideology should be disseminated. And the invasion of the cheap cinema film has proceeded to such an extent that Trotsky warned the Young Communist Congress against its sinister influence. The State Cinema Theatre has shown a few high class films, one a wonderful drama of the revolution; and no doubt in a short while the State monopoly will extend to this, the moving pictorial press, and will completely eliminate the odious drawing room melodramas of the decadent bourgeoisie which by some means have been dumped into Russia.

What about the economic menace? This will be the test of the extent of the ideological menace to the proletarian regime. Trotsky gave the number of workers employed in State industry, apart from the railways, as a round million; as against 60,000 employed in private concerns, mostly small works leased from the Government. Half of these latter again are in the hands of public co-operative societies, and the new type of share companies in which the Government is an important shareholder. As for distributive trade, private enterprise holds about half as much as the

Government concerns. If you walk down the Tverskaya in Moscow, and pick out the finest stores, you will notice that they are government concerns ; and no doubt a little trade rivalry ensures that the government concerns are carried on with the maximum efficiency. If state concerns cannot beat private enterprise for all round efficiency in the presence of the competitor, how much less so if the competitor is legally barred from entering the field. Thus Nepo fixes the tempo of efficiency for state industry.

Holding the state power, the proletariat has the scissors with which it can at any time clip off private trade, to quote the words of Trotsky. Not only this, it has the control of railways, coal mines, electric power, and raw material, by which it can throttle the new bourgeoisie at any time without resorting to decree ; just as the American railway companies, by means of tariffs, manage to get the last dollar of surplus earnings out of the western farmers.

"Land monopoly is the root of capitalist monopoly," said Marx. There is no comparison between the peasant land holdings of the French and the Russian revolutions. By 1852, as we read in *The Eighteenth Brumaire*, the French peasantry were mortgaged up to the hilt to the Paris finance capitalists. But the Land Code recently passed by the Central Executive Committee affirms anew the state ownership of the land. The land is only for those who can use it. It is inalienable. Thus the chief means by which merchant traders may entrench themselves in the country's economic field is taken away from them. They cannot lay up treasures in the heaven of landlordism. They cannot lend out their profits on land security. The bonds could never be enforced so long as the proletariat is in power. Thus their spare cash is left to the mercy of a fluctuating market. Like autumn butterflies, their career as a class is a short life and a merry one, "for ever getting born and ever dying in the alien atmosphere of the Proletarian Dictatorship." The "Citizens' Code" has fixed the maximum inheritable estate at 10,000 gold roubles (£1,000) subject to taxation. Everything above this is appropriated by the State. Besides this, strict limitations are imposed upon the degree of relationship entitled to inherit.

All trade is of necessity based upon the surplus wheat in the hands of the peasants. After the Government has taken 200 million poods as tax (or land rent), there remains from last harvest a surplus for the market, says Trotsky, of 100 million poods. Half of this is bought up by the Government Departments. The balance remains for private traders. It will thus be seen that the proletarian state is firmly entrenched against any economic menace from the merchant bourgeoisie.

In this connection, however, it is worth recording that the "Citizens' Code" allows municipal Soviets to conclude agreements with private individuals for the leasing of building plots for terms not exceeding 49 years, for the purpose of house building. Here is a mode of investment for successful traders, on condition of supplying much needed housing. But the level of rents is automatically fixed by the State ownership of all the large buildings. The Ukrainian Soviet is itself forming a Soviet Company in which private individuals will be invited to participate to build houses under the terms of this clause.

The "Citizens' Code" guarantees to private traders State

enforcement of agreements among themselves, thus facilitating transactions. But the Code provides that, notwithstanding any clause to the contrary, no such agreement shall be valid which militates against the interests of the State industry. Thus on all hands the new bourgeoisie are "cribbed, cabined, and confined" within very definite limits.

Does not the capitalist class, by virtue of its holding large industry, rule England in despite of the workers and the small bourgeoisie? How much more so then can the workers themselves holding that industry, firmly retain power, even if the small bourgeoisie are left to function within the limits consistent with the interests of the Proletarian State power? The Russian bourgeoisie, owners of industry, failed to hold Russia, even with foreign aid. But the Russian workers, in possession of that same industry, hold Russia with a firm hand even against the furious attacks of the combined international bourgeoisie. This seems to indicate an enormous reserve of political power in the industrial proletariat even when, as yet economically weakened, it is only able to produce one-fourth as much as it did under the capitalist regime.

### **"To Everyone According to his Needs"?**

The New Economic policy is not merely a retreat; it is a return to Marxism. How vehemently (in his notes on the Gotha programme) Marx objects to the formula, "To everyone according to his needs and from everyone according to his capacity," forming any part of a revolutionary programme. The revolution inherits capitalist forms; it is the State that is revolutionised. And these forms, under the Dictatorship, almost imperceptibly receive a new content. Zinoviev told the Comintern Executive last year that one of the lessons of "Nepo" was that the wage form of payment was still a necessary incentive for the large non-party mass for a phase after the revolution. But even though the wage form remains, no one can deny that the wage system has gone. The workers no longer are wage-slaves. They are the ruling class, although "Nepo" brings unemployment and sometimes even strikes.

Does this mean that mankind will never produce except for private gain? The bourgeoisie as a class, even in a world war, will only produce at a profit. But the working class of Russia has shown not only that it can die, but live and labour to exhaustion for its common cause. The heroism of the Russian workers will never be fully told. There is no more glorious example of this than the devotion of the Don Bas miners who, starving and cold, stuck to their machines to save the mines from being flooded, many collapsing, and carried away, but returning again to their heroic task. The Russian workers are suffering from the tremendous handicap of a technical staff inherited from Czarism, consciously or unconsciously, always sabotaging. But the new generation of "Red Managers," like the "Red Commanders," is arriving fast. Lenin has on several occasions lately charged whole sections of the State apparatus with active opposition, and warns them of the time when the thousands of Soviet youth, now in training, will be able to take their place. The personnel of the State apparatus is inherited from a feudal society. These old State servants are not likely to tune up to modern efficiency for a regime which has robbed them of their old respectability. The village post office

has a staff three times as large as its counterpart in England.

Thus it is Utopian to promise "to everyone according to his needs" so long as everyone does not give according to his capacity, and so long as, through the lack of modern industry, the production of the necessities of life costs far more than the "socially necessary labour."

### "Strict Accounting and Control."

Lenin has named the present system in Russia a form of "State Capitalism" or "controlled Capitalism." He, like history itself, doesn't sugar-coat his pills! Nevertheless, at a Party Congress last year he had a good laugh at certain comrades who were trying to find a precedent for this "State Capitalism" in the text books. Since there never was a Proletarian Republic before this one, there could be no precedent for any of its subsidiary forms. The large industries are formed into "State Trusts." Here again is a name with a bad flavour to Anglo-Saxons. But these are called "Trusts" only because certain inter-dependent industries are grouped into one concern, somewhat on the lines of the I.W.W. chart with which we are all familiar. These "Trusts" enjoy a certain autonomy. They buy and sell in the market; but are under the control of the Supreme Council of Public Economy. Because they supply their products through the market, some are flourishing, others do not fare so well, while the heavy industries are faring very badly, and will require State subsidies to restore them. Don Bas coal mines, for example, after a period of revival, are again declining, and *Pravda* is again calling for aid to this front. It has not yet been cleared up whether the serious position of the heavy industries is due to technical mismanagement, or to the need for capital. Lenin's speech seems to indicate the latter.

The New Economic Policy provides a sure index of how far the Proletarian State is living on the fruit of its own labours. By overthrowing the capitalist State we do not produce a magic Pandora's box from which everyone can draw according to his needs. Although we destroy the capitalist system, capital still remains with us in the form of means of production. And those operations which figure on a capitalist balance sheet, so much for "Depreciation of Plant," so much for "Reserve for New Development," etc., are also necessary under a proletarian regime. That is to say: more than ever we have to preserve ("depreciation") and increase ("reserve for new development") the means of production, for this is the way to Communism. We must not eat into our means of production, or capital. This is what was taking place under "War Communism." Free housing, free trains, free lighting, free theatres—there was no means of knowing exactly at whose expense these socialist institutions were obtained, although Lenin had as far back as 1918 issued the slogan of "Strict accounting and control." The peasant risings, referred to by Lenin, soon showed that it was mainly at the expense of the tillers of the soil; and it was natural that they should demand in their own way that the account should at least be chalked up on the slate.

But "strict accounting and control" does not go well with a regime in which the destruction of money was a deliberate policy. Because, with all the anarchism of bourgeois society, we have the paradox that no other method of "strict accounting and control"



has yet been developed to replace the money form of payment and its corollary of free exchange. Hence it follows that we can only dispense with the money form of exchange when we have a superabundance of the means of life. Money is like fire, a good servant but a bad master. What a good servant it can be in the period of reconstruction is demonstrated by the first annual balance sheet of the Textile Trust which appears in the *Pravda* of November 26th. This balance sheet (it appears as an advertisement) is one of the most eloquent portents of a Russia resurgent. Here we have huge figures, but there is no self-deception; the final result is shown in gold values. In the place occupied on a capitalist balance sheet by the words "Capital Account" and "Working Capital," we have "Foundation State Fund" and "Circulating State Fund." The former is a sum of seven milliard odd 1922 roubles, covered on the credit side by "immovable property, machinery and tools," evidently the original assessment of the property on emerging from "War Communism." Then we have also on the credit side an amount of 139 million spent in new construction, "capital repairs and increase of plant," with a further sum of seven milliard odd allocated to the factory farms. The "profit" for the year amounts to over two milliard of 1922 roubles, or, in pounds sterling, about £300,000, after allocating an amount equaling 5 per cent. towards "Depreciation of Plant," this latter provision, much smaller than is usual on capitalist balance sheets for a plant that is already old. But in any event the clear profit remains for use by the State or for new development. That is to say, it remains in the hands of the workers. Thus we see that, in this as in many other instances under the Dictatorship, capitalist forms remain, but their contents have been revolutionised. The runaway horse of the "money system" has been put into harness. And meanwhile the proletariat is being taught by it how to keep "strict accounting and control," which in effect means: how to preserve and increase the forces of production, the conditions necessary for a Communist Society.

### **The Pranks of the Rouble.**

Why does the value of the rouble fall? It falls because the size of the State apparatus, including, of course, the Red Army, is still beyond the productive capacity of the toiling community. Paper money has to be printed to make up the deficiency. It is an easy form of money-getting, but very expensive in the long run. It is resorted to just by those States who cannot afford to do it, by those States whose credit is too bad to borrow. The deficit in the Soviet budget is continually decreasing, but while it exists and paper money has to be printed, it produces instability. The new traders are not able to carry on productive forms of activity, as they do not know what the value of the rouble will be next month. Hence they rush into the market, and indulge in unproductive speculation. This defeats the purpose of trade in a Proletarian State. (The reader will have noted the reference to the 1922 rouble. The figures were getting so "astronomically" large that it was decided to cross out some of the noughts. An original 10,000 was counted as one rouble. Thus the million rouble note of the original denomination has only 100 roubles marked on it in the 1922 denomination. In 1923 there will be a further crossing out of noughts,

so that a million will count as one rouble, and we shall return to the kopecks of the old days again. Only the Proletarian State can do this. The Capitalist States cannot do it, as there are the "war loans" and other huge mortgages on the labour of workers, which no section of the bourgeoisie will agree to annul by crossing out the noughts as is done by the Soviet Republic.) The Soviet Republic also guards the workers against the evil effects of the fall of the rouble. In periods of heavy decline of the rouble, as in the early part of 1922, when prices doubled week by week, the workers were paid on the 20th of the month an amount equal to last month's wages, with which they ran to the traders before they raised prices. At the end of the month they received the balance due on the computation of the gold value of their wages as announced by the State Bank. This is only one instance of the way in which the Proletarian State weighs the scales in favour of the workers. Printing paper money is a form of confiscation. But it hits right and left. In a Capitalist State it hits worst those who have money invested in shares, war loans, mortgages, etc. But there are no such people in Soviet Russia. You see smart people and much finery on the Pushkin boulevard, but they have nothing in common with the dwellers in Park Lane. These Moscow traders put most of their savings on their backs in dress or articles of luxury, such as worry the soul of the *Pravda* leader writer. When the rouble is finally stabilised the probability is that they will invest more in industrial production, and thus help in the restoration of economic life. They are pretty severely taxed both centrally and locally. The chief aim, therefore, is to live within our means as a Proletarian State, and to this end the whole energies of the Russian economists are now directed. The final stabilisation of the rouble will be the bed rock from which will commence the first building of the future Communist society.

### "The New Order in the Shell of the Old."

The *Pravda* offers to Western Communists an interesting view of the new order growing up. It is a herald of the new order. For Communists its pages are a whole university. The *Pravda* is ever calling the party to a new front. Although it is the party organ, it is merciless in its criticism of government administration, and though the *Isvestya* is the official government organ, no great administrative work, such as the collection of the tax in kind, can be undertaken without the lead of the *Pravda*. Its correspondents are the first to scent danger, to expose a wrong. The White Guard Press gets all the material it needs from the *Pravda*, for the bourgeoisie cannot understand that the Proletarian Revolution is the most merciless critic of itself. (Just now a competition is running in its pages, a kind of "competition" that could only take place in a Proletarian Republic. A prize is offered for information about the best and the worst factory manager. For weeks past reports from workers have been received telling of the merits or demerits of their managers. These reports are generally endorsed either by the Factory Committee or Party "Yacheka" (branch) at the works. Portraits are given of the progressive managers, so that the whole course of the competition presents the epic of Russia's heroic efforts at reconstruction.) Take the issue of November 19th. Here we have the account of an exciting factory meeting. A worker has

sent in to *Pravda* an unfavourable report about the manager. The manager resents. An open meeting of the Party "Yacheka" of the works is held to decide the case. Present: representative of the District Committee of the Party, the Factory Committee, the management and the general body of the Party members and non-party workers of the factory. The discussion is long and heated, but in the end the *Pravda* report is endorsed, and an enquiry instituted into the managers' doings.

The place of honour in this issue is given to an account of how "Red Manager" Tovarisch Shterengov, stepped in and brought a large lithographic works from the brink of ruin to its present flourishing condition. From these and other reports one is struck by the manner in which the whole life of the Russian worker tends to circle round his place of work. There is the factory club, the factory theatre, there is, of course, the factory Committee, and if he is a party member, the factory branch of the party, or the "Yacheka" as all Russia knows it; and even if he is not a party member, there are the open meetings of the Yacheka, which are becoming common, drawing large masses of the non-party workers into the party circles; then there is the factory co-operative, and, in many cases, the communal building, where all the factory workers are housed. For his young lads there is the factory school, where, in addition to the rudiments of learning, they are also taught their trade. It is the new order growing up in the shell of the old.

It is stated in the report how the timely arrival of Tovarisch Shterengov saved a couple of hundred workers from being thrown out of work. Thus we have unemployed under "Nepo." The first period of the revolution is a period of privation, and only the class conscious advance guard of the proletariat can carry on without the stimulus of the wage system and its concomitants of unemployment. Unemployment in the Proletarian Republic has features worth noting; it is steadily decreasing. The union, as well as the State, guard the unemployed from misery. The population of Petrograd, which was greatly reduced by the removal of the government to Moscow, is again increasing rapidly as a result of the influx of workers to the factories. The Putiloff works are expanding day by day. "Nepo" does not guarantee the right to work, but the workers fully understand that the causes of unemployment are due to the long years of exhaustion and that every nerve is strained to eliminate it. The Proletarian State has tens of thousands of little children in its homes. But it cannot yet provide for all. Many little children beg in the streets. But the November celebrations show that the air is full of hope, not in a distant future, a vague idea of amelioration such as liberal enthusiasms gave the masses, but of speedy conquest over all these evils by their own efforts day by day in the factories. They can hear the mighty throb of emancipation coming towards them with the speed of a steam engine. Such is reform under the proletarian regime.

### **The Army of the People.**

Do the Russian workers feel that the industries are less their own because they are organised into trusts, which buy and sell, pay wages, issue balance sheets, and try to run at a profit? Not in the least. The writer was privileged to witness the last May day

celebrations at Petrograd. Everyone was amazed, including the Russian Party members themselves, at the vastness of the crowds of workers bearing innumerable flags, packed side by side with their beloved Red Army on the great Uritzky Square. Comrade Zinoviev addressed a portion of the crowd, a few thousand upturned eager faces. It was during the critical days of Genoa. "Shall we give them back their factories?" asked Zinoviev. Every doubting Communist should have heard that emphatic response from the thousands of workers.

During the military parade, a young proletarian officer was directing the arrangements on the square. He saw that the workers and their banners in a corner near the tribune were packed to suffocation. He rode up and addressed them. We could see by his gestures that he wished to transfer a couple of thousand of them to the other side of the square. Always for proletarian order, he turned his horse, uplifted his sword, and with a broad grin on his good-humored face, gave the order "quick march," and the crowd of working men and lads, and working women with shawls over their heads, stepped out gaily after their "Pied Piper," all hugely enjoying the joke. How it made one's heart warm for this great simple people who are showing the world how to do it.

This little incident serves to show in what a real sense the Red Army is one with the people in the Proletarian State. On that same day the massed troops took the oath of allegiance to the working class. At Nizhni Novogorod, for instance, the oath of allegiance was taken by the Red officers and the Commanders drawn up face to face with a line of working men, and each officer recited the oath, "I, a son of the working people, etc.," to the working man opposite him. This is the Dictatorship of the Proletariat, which is not modified in any of its essentials by the New Economic Policy.

Lenin, Zinoviev, and Trotsky are even occupied in pointing out their own "mistakes." But if there are any mistakes, the world first learns about them from their own lips. It is the great spirit of science for the first time applied to politics. They personify the self-criticism of the proletarian revolution, which Marx, in the first pages of *Eighteenth Brumaire* takes pride in comparing with the bluster of bourgeois revolutions. It is the guarantee that the coming order which these leaders represent is so much higher than the old one, with all its humbug politicians.

"He who will not work, neither shall he eat." The aim of the revolution is to give effect to this decree of nature. But "War Communism" only affected it in form. We can see now that we do not turn a petty trader into a proletarian merely by taking away his stock-in-trade and putting him into a factory. The proletarian is a far more complex product than that. The virtue of the property less proletarian does not reside in being propertiless. Deprive a bourgeois of his possessions, and ten to one you will find a slum-proletarian. The New Economic Policy has restored the proletariat in sole occupation of the factories. The petty bourgeoisie have returned to where they belong. Under the progress of the New Economic Policy the proletariat will gradually assimilate them; and the Party will gradually assimilate the Proletariat. The Party is the advanced proletariat. It is not a passing expedient of the revolution. In the measure that the whole of the working

people became animated by the consciousness of the advanced proletariat, of the Party, in that measure will "controlled capitalism" disappear. The discipline and sense of solidarity of the advanced proletariat, that is, of the Party, is the discipline necessary to hold together a Communist Society. The open Yacheka grows apace. The party becomes co-extensive with the working people. The International shall be the human race. Then we shall have Communism. But the first step to it is ever and always the Dictatorship of the Proletariat.