

and all the arts and has a mission to preserve democracy or the old order or anything equally vital. Fortunately, there are enough to go around even the largest family. Then you each agree that there is no health in any weekly save your own chosen one, and the fight is on. It has a multitude of phases, and every Saturday sees it renewed. There should, however, be a limit set to the

length of excerpts read at the table. Otherwise the children grow restless and the next course waits long enough to lose its savor.

So the great game goes, far more absorbing than bridge, parcheesi or optimism. Life without it must be drear and unprofitable enough. I am not one of the talented people who can judge a household confidently by its books, pic-

tures, or system of interior decoration. Instead I prefer to know what the family quarrels about. If the quarrels are petty and personal, the people are too. But if they choose something vast and humorous and fight with neatly turned sentences and smashing blows at bad arguments, then they are of the right stuff and I wish them prosperity and longer breath.

## CAN RUSSIA COME BACK?

BY JAMES P. GOODRICH

EX-GOVERNOR OF INDIANA

THE question whether Russia can come back may best be answered by the statement that Russia is already coming back. This assertion will doubtless be surprising to most of us who at this time are thinking of Russia in terms of Bolshevism, misery, and starvation.

It is true, of course, that the Russian giant still lies prostrate, that his economic system is disorganized, and that he is functioning but feebly in most respects. It is true that thousands of people are on the verge of starvation, that thousands have lost their lives because of lack of food and the accompanying pestilences, and that many more will die before the next harvest, in spite of the most heroic efforts of America to relieve the situation.

Yet there are signs unmistakable in Russia that the day of deliverance is not far distant. Russia of course will not recover its strength overnight. The process will necessarily be slow and painful. There will be at times recessions of this progress and compromises between the contending forces of radicalism and conservatism.

But if the present Government survives, as I believe it will, without revolution, throughout the year of 1922, it is my firm belief that Russia's regeneration will come about through evolution, and not through revolution.

It is difficult to make a comparison between the French and Russian Revolutions. The French Revolution was political, rather than economic. "Liberty, Equality, and Fraternity" were the watchwords of the French Revolutionists. While the land of the nobles was confiscated, there was no attempt made to reorganize the means of production on a Socialistic basis. The fundamental tenets of the Bolshevik Revolution in Russia are economic. It not only includes the suppression of the *bourgeoisie*, but the confiscation and nationalization of the means of production and the dictatorship of the proletariat. That the revolutionary movement in its economic aspect, at least up to the present time, has been a failure is freely admitted by the present leaders in Russia. The magnitude of the economic collapse, the utter failure to maintain

pre-war production, the rapid exhaustion of the gold supply, which existed prior to the Revolution have brought the leaders of the Revolution to the realization of the fact that radical changes must be made if Russia is to survive.

The regeneration of Russia will not be similar to the reaction in France after the bloody Revolution of a century and a quarter ago. Conditions are not the same. There is no demand in Russia for the restoration of the monarchy. Russia is through with the Romanoffs and their kind forever. The people know what Bourbonism has cost them. They know that by its graft and its bureaucratic inefficiency it lost them the victory in the Russo-Japanese War, and they have not forgotten how it sent millions of brave but ill-equipped Russian boys to slaughter against the deadly German military machine; sent these boys untrained, and at times unarmed.

Therefore when Bolshevism has had its day there will be no demand for a Slavie Louis to take the throne in Russia.

Nor will there be a demand from the rest of Europe for the restoration of the Empire in Russia, as there was in France. The kingly game is out of fashion. There are no longer a score of monarchs jealous of their powers, protecting one another from the onslaughts due to the desire for popular government, as there was at the time when Louis returned to Paris to remount his throne.

With the proper encouragement, Russia will gradually resume her place among the great nations of the world without the tremendous upheavals which followed the French Revolution.

There are already many signs in Russia that the processes for sane, orderly government have commenced. The one which has received the greatest publicity of course is the famous speech of Lenine in which he explained to his comrades the necessity for an "economic retreat" toward capitalism, in order that Communism finally might be established.

He explained that it was necessary to make some compromises with capitalism, and reminded his hearers of the

fact that an army intending to assume the offensive often retreats for strategic reasons before launching its attack against the enemy.

Lenine is credited with much courage for his frank confession of the failure of Communism. The truth is that economic forces beyond his control drove him to the acknowledgment of failure.

As early as November 19, 1919, Mr. Lenine said in a speech on "Work in the Villages:"

"Peasants are mostly conservative. With difficulty they forget the past.

"With greater tenacity than others do they resist the possibility of changes.

"They stand for capitalism in a single body. . . . They are dissatisfied with the change that has occurred. . . .

"The peasant resorts again and again to the old form of capitalistic exploitation."

The lot of the peasant grew worse and worse. He was compelled in many cases, at the point of a gun, to give up his surplus foodstuffs. He was little content with the fact that he was obliged to feed the cities, without receiving anything in return.

On October 15, 1920, three thousand peasant representatives met in Moscow to consider their plight. It was not a convention of weaklings. Suffering under wrongs, conscious of their rights, they said to the Government: "We want our duties defined and our rights preserved. We know that from a Communist standpoint we are but petty *bourgeoisie*; yet we are the backbone of Russia, and only from us can the social revolution derive its strength and powers of resistance."

Keen as was the desire of the peasants to defend their land against the Whites, eager as they were to co-operate with the Soviet Government, they could not be induced to increase their harvests so long as they knew the surplus was to be taken.

The short acreage and the low yield in 1920 were a warning to the Government that something had to be done if all Russia was not to starve. The Soviet Congress met in May, 1921, and in Article VI of its resolutions recommended "a system of bonuses in kind for the workers, and for the peasant a substitu-



International

MICHAEL KALENIN, PRESIDENT OF THE ALL-RUSSIAN EXECUTIVE COMMITTEE,  
DELIVERING AN ADDRESS IN THE PROVINCES

tion of a fixed tax in kind, in place of requisitioning the surplus."

Mr. Rykov, former President of the Supreme Council and a member of the Congress, said: "There are many of us who look upon the new tax in kind as an exclusively political measure—as a pact between the proletariat and the petty owner, the petty *bourgeois* element. It seems to me that the *roots of the change lie much deeper*."

"We observed a decrease of the planted area, a decrease of the crop per acre, and an almost total disappearance of our surplus flax, hemp, oil, seed, etc., as the small owners were not interested in enlarging their farms."

"The new tax means taking from the peasant only a . . . very small part of his crops . . . and a free hand with the rest."

"This means a *re-establishment* of the *institution of private property*, in the *bourgeois* sense of the term, and it inevitably leads to the development of the rural *bourgeoisie* on the economic basis."

It clearly is apparent that Lenine, in his new economic policy, simply announced what had already been determined by the Congress, in answer to the demand of the peasant.

Trotsky, always more radical than Lenine, calls this a surrender to capitalism. In 1920 Trotsky, in his very able address on "Communism and Terrorism," frankly stated that "the only means of securing labor essential for our economic tasks is by carrying into effect labor conscription." He advocated the conscription of all labor—binding men to their jobs under the severest military penalties. When Mr. Lenine and others who opposed the conscription of labor insisted that compulsory labor was never productive, Trotsky frankly said:

"If it is true that compulsory labor is unproductive, then our whole con-

structive programme is doomed to failure, and you can then 'place a cross on Socialism.'"

He believes that the death-knell of Communism was sounded when the Soviet Government, on the advice of Lenine, refused to follow his suggestion to conscript the workers and peasants and make them in fact the great industrial army of the Government. Yet, in spite of his differences with his less radical chief, I am informed that Trotsky will support Lenine in whatever changes of government are decided upon. In so doing Trotsky will have the support of the military arm of the Government, as he is the idol of the Soviet army.

But there are other signs that Russia is slowly returning to reason. Soviet representatives talk freely about this change in "tactics" and admit that it is necessary, because the other nations of Europe have not embraced Communism. All declare that there is no change in principle, but that for the time being "concessions" to capitalism must be made. Originally the people were to ride free on the railways. All of the public utilities—water, light, gas, and telephone plants—also were to be free of cost. The people are being required to pay for such service as they get, and in answer to their protests are told that this is merely a change in tactics and a concession to capitalism.

Merchandising is on the increase and stores are opening all over Russia. I left Moscow for a two weeks' trip to one of the famine-stricken provinces in November. On my return I saw a marked increase in the number of stores, an increase in the stocks of those which had been opened previously. These stores opened without any formal permission from the Government, and the Government is now trying to work out a policy to tax them on their business. Whether

this tax would take the form of a tax on profits or a turnover tax had not been determined definitely when I left Russia. The stores in Moscow, however, were required to keep an account of their sales, and this leads me to believe that a turnover tax probably will be decided on. The new policy of taxing business will be inaugurated early this year.

But more significant than this is the fact that rents are now being collected in Russia. What greater crime has ever been charged to capitalism by Socialism than the offense of collecting rents? Yet not only are rents being charged, but in other instances the owners of property confiscated by the Government are being invited to return and occupy the property at a rental contract that calls for a smaller outlay than the tax formerly paid.

In Saratov I met a Russian who had owned prior to the Revolution a large merchandising business, a beautiful home, the building in which his business was located, and five rental properties. When the Revolution broke out, he sent his family to Germany, and shortly afterward followed them with all the cash he could realize and take with him. Now he is back in Saratov again to engage in business. His confidence in the country is unshaken. He believes that Russia is coming back. The Government has offered him his home and his business property at a rental considerably less than the tax, and suggests as a tax on his business fifteen per cent of the net profits.

I found an interesting situation in the town of Balser, five miles from the Volga River and about thirty miles below Saratov. After the Revolution, when the Government nationalized the factories of the town, the workers were overjoyed, as they believed that they were now to receive all of the fruits of their labor. But after a few months the factories were closed and thousands of men, out of work, were compelled to depend on the uncertain Government ration.

Now things are looking up. A knitting mill and a tannery are getting ready to resume operations under the direction of their former owners. The agreement provides for an eight-hour day and for a wage scale to be approved by the Government. The owners are to pay the Government fifteen per cent of the net profits of the business; and this is to be accepted in lieu of all other taxes. The men who are to start the factories told me that the wage scale, measured by its purchasing power, is less than before the Revolution, and not at all unreasonable.

I asked the Government representatives what they proposed to do with the fifteen per cent collected in the way of taxes, and was informed that this was to be used for the purpose of starting other industries. Any one desiring to start a new industry is to apply to the proper commission for permission to do so. If,



after proper investigation, the commission finds that the proposed enterprise is for the public good, the necessary permission will be granted, the factory built out of the public funds, and then rented to the proposed operator, who would furnish the capital to run the plant and pay as rent to the Government fifteen per cent of his net profits. It is needless to say that this plan would fail completely.

It has been found impossible to conscript the earnings of the peasant, and the policy of taxing him has undergone a complete change. The first year of Sovietism the Government proposed to take away all his surplus crop. The next year the peasant reduced his acreage, and the resultant shortage was one of the contributing causes to this winter's famine. Now the tax has been reduced to a figure that is not unreasonable. In other words, to encourage farming the Government has been compelled to grant to the peasants the right to dispose of their surplus as they please. The tax is still collected in grain, and not in money. The peasants say that they prefer this system to the one in America, because the tax varies with the yield and in poor years the tax is correspondingly light and the burden easier to bear.

Under the old régime something like eighty million Russians were enrolled in the co-operatives. After the October revolution the Government proceeded at once to nationalize them, and, while they never succeeded in destroying the local branches of the co-operatives, yet by January, 1920, the process had been almost completed, and these organizations which had played such an important part in the development of Russia ceased to function.

Under the new economic order, these societies are again functioning. By a decree there has been created in Russia an organization known as the All-Russian Co-operative Society, usually referred to as the "Arcos." This organization is governed by a board of twelve directors or trustees, and was intended to co-ordinate the operations of the peasants' co-operatives, the consumers' co-operatives, and the industrial producers. The majority of these members were first selected by the Central Government, which said to the co-operatives: "It would not do for us to take the risk of having an organization which must play so large a part in the development of the economic life of Russia in the hands of our enemies."

A decree was passed in the early part of 1921 setting aside all former decrees affecting the independent co-operative organizations. This had the effect of denationalizing their property, and the buildings formerly occupied by the co-operatives have been turned back to them.

These various co-operative societies all held their meetings during the summer and fall of 1921. When the peasants met and organized their board,



International

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they did not elect a single Communist on the board. When the consumers' co-operatives met, they elected only one Communist member, and when the industrial producers' co-operatives met in October the majority of them were elected from non-Communists; so that these organizations, which will play such an important part in the economic reconstruction of Russia, have passed into the hands of men who, while not unfriendly to the Government and who stand for law and order, are not Communists but are individualists and believe in the capitalist order.

It is the present purpose of the Soviet Government that these co-operative societies shall have the first refusal of all concessions to be given by the Government, and that all foreign trade of Russia shall be under their control so far as they desire to exercise such control.

When the Revolution was established, the Soviet Government conscripted all professional men into the public service. The finest surgeon in Moscow was given his bare living for his services, was put on a par with the lowest unskilled laborer. But an order has recently gone out changing all this, and professional men may practice their chosen calling just as before the Revolution.

Moreover, a system of banks is now being inaugurated in Russia. I spent one Sunday afternoon early in the winter with two men prominent in the new banking scheme who before the Revolution were at the head of two of the largest banks in Russia. I discussed with them the many difficulties under which the new banks are being inaugurated; but, strange to say, while realizing the situation much better than I, they were very hopeful as to the outcome of their venture.

The men to be in charge of the new bank and its branches are the men who ran the banks in the old days. The Government is now attempting to get into communication with the bankers of the capitalistic days and is urging them to come back to Russia and assist in the new venture. The response, I am informed, is encouraging.

The most significant sign to me was the hopefulness of these bankers of the old days. They propose to take American dollars and other foreign money on deposit, payable in rubles at the rate of exchange on the day of withdrawal, and expect to attract many foreign accounts, and say that they already have the promise of many.

When asked what assurance they have that property brought into Russia will be protected, their answer was: "The best assurance in the world. The change in the policy of the Government is not a tactical move, but a change that is fundamental. The Government recognizes the temporary failure, at least, of the Communistic experiment, and is headed back for capitalism just as fast as it can take its followers along with it."

Bankers are usually conservative both in their statements and in actions. I believe that the words and deeds of these two representative Russians offer significant evidence that Russia is on her way back into the family of nations.

The signs of the "retreat" to capitalism are abundant. The piece-work system has been established on the railways. Wage payments are rapidly being substituted for the *payok*, or ration. Not only wages, but "wages as far as possible accurately to correspond with the productivity of individual labor;" in short, applying the piece-work system to

all industrial labor. The collegiate system, established to control the soviet system in industry, and similar to the much-discussed shop committee system in this country, has largely been abolished, and individual control, which has received its fullest development under capitalism, has been substituted. The establishment of rents, of interest, of profits, barter and sale, show how rapidly the Communistic system is being abandoned.

The peasants, comprising eighty per cent of the people, were always individualists. Now that they have the land, they will never surrender it. The new economic policy will rapidly develop a new *bourgeoisie* in the cities. From

these and the *intelligentsia* will spring the men to furnish the leadership that will bring about radical changes in the Government and, out of the present economic ruin, construct a Russian Republic.

Russia was a mighty nation of nearly a hundred and eighty million souls before the World War. It will be a mighty nation again, as great in population and territory as it was before. You cannot kill or for a long time degrade a great people, and the mass of Russians make up a great people; fundamentally honest, conservative, peaceful, and law-abiding, not free-lovers and heretics, but men of family and of religion. Purged of the autocracy of the

tyrant and of the mob, Russia is going to come back, to resume its honorable place in the family of nations. The progress of Russia will be measured by the extent of its abandonment of Communism; its return to individualism; its recognition of the right of contract, of private property, and freedom of trade.

Because we have extended the helping hand in time of direst need, Russia will come back with a traditional friendship for the United States, cemented with new ties of the kind that are not easily severed. Russia is slow and patient in suffering, but she does not forget. In that fact we may find in the future a consolation as yet undreamed of.

## RUSSIA DOES COME BACK

BY BARON S. A. KORFF

THERE have been numerous proofs lately that Russia does come back, and the foregoing article by Governor Goodrich is an important instance, corroborating the very many Russian witnesses who are describing the internal conditions of their poor country. Two most important qualifications must, however, be attached to such a valuation of the processes going on in Russia: first, that the improvements occur *in spite* of the Bolshevik Government and because of its complete failure to establish Communism; and, secondly, that Russia comes back at the price of terrific suffering of her people, that the end of the suffering is not yet in sight, and that it is due not to any natural calamity, drought, or cyclones, but mainly to the collapse of the Bolshevik Government system. Neither of these two points is sufficiently emphasized in the otherwise so illuminating article of Governor Goodrich.

At the present day Russia is already well started on the road to the restoration of capitalism; as a matter of fact, there is hardly any vestige left of Communism anywhere, except perhaps in the bragging of a few of the extreme fanatics. The Bolshevik rulers for the past six months have openly and repeatedly admitted the return to capitalism; *Lenine* and others camouflage their retreat by assurances that it is only temporary, that it is only a strategic retreat, that their Communistic principles remain intact, and so forth; but, just as in the case of the famous German "strategic retreats," neither the Russians themselves nor the world at large can be fooled by these explanations. The Bolshevik leaders know only too well that they are forced to retreat because their Communistic system had not worked and was not accepted by the nation; no wonder they complain frankly that Russia was not ready for such an experiment, that the agricultural and conservative element of the peasantry

was outweighing the rest of the population and especially the small city labor class. For a short period the Bolsheviks were hoping that some other country would take the lead in the revolutionary movement and carry on where Russia failed. But as time went on nothing happened and *Lenine's* expectations that England or Italy would follow failed; he was obliged to give up his hopes and revert to making further concessions to capitalism.

There is no greater truth than the assertion that "economic forces beyond the control of *Lenine* drove him to the acknowledgment of failure." On the other hand, there is no need whatever to draw comparisons with France and the French Revolution. The social processes of the eighteenth and the twentieth centuries are very different ones, though the Russian and Bolshevik revolutions were by no means only economic, as Governor Goodrich seems to think; the political element played a most important part in them; further, in France in 1789 the economic factors of confiscation of land and property had no small influence on the course of the Revolution.

The alternative of the Bolshevik Government is by no means only monarchy; I think one can be rather sure that monarchy will not come back in Russia, and certainly that the chances for the restoration of the Romanoff family are infinitesimal, though the Russian monarchists, especially in Germany, have been very noisy lately. One can be quite sure that the outside world and the other Powers (except Germany) will not only decline to help such a restoration, but will do all they can to prevent it. Monarchies have lost their popularity in the modern world. The alternative that could satisfy Russia and guarantee peace to the outside world can only be a *Democratic Peasant Republic*, and that the Bolshevik Government will never be able to accomplish.

Any Russian, unless he belongs to the Bolshevik camp, accepts with gratitude the offer to help his country "with proper encouragement gradually to resume her place among the great nations of the world and without the tremendous upheavals which followed the French Revolution." But two absolutely necessary conditions are required for any such assistance: first, that regeneration should come only from within; Russia and the Russian people must themselves regenerate; no outside force, pressure, or policy can help otherwise; this sad lesson we have learned at the cost of great disappointments during the campaigns of *Kolchak*, *Denikine*, and *Wrangel*. Secondly, the "encouragement" of other Powers or nations should not be in the nature of help to the Bolsheviks themselves; if we keep in mind that the main source of Russia's suffering is the total failure of the Bolshevik Government system, we will understand why democratic Russia would reject and resent any assistance that would tend to strengthen the Bolsheviks, keep them in office, and thus only prolong the suffering of the people and defer the day of salvation.

Sometimes another alternative has been pointed out. *Lloyd George* used it very often. It is that anarchy will necessarily follow the downfall of Bolshevism. That is a very old argument, used to defend many autocracies and oligarchies. How often did we hear it during the times of the Czar and how frequently we meet with it in the history of the downfall of the Bourbons. In fact, it is the favorite defense of any autocracy; it is the selfish argument of all those who derive advantages from the existing order and are loth to admit the unavoidable coming changes.

A strange thing has been happening lately concerning the appreciation of possible and desirable changes in the Russian Government; absolutely all the Russians who came lately out of Russia