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responsible for the failure to convert the Risorgimento into a real revolution. It remained a "passive revolution," perpetuating the constitutional weakness of the Italian bourgeoisie and creating a country whose national strength remained sapped by "municipal particularism and catholic cosmopolitanism."⁶

This is Gramsci's thesis. As Romeo has shown in his first essay, its influence upon Marxian historians has been great. With one or two exceptions, they went on to deplore the downright un-French character of modern Italian history and have been particularly eager to emphasize and to elaborate the view of the Risorgimento as a frustrated agrarian revolution.

Romeo had sat down to write a chapter in intellectual history, but before long he found himself concerned with Italian economic history. Since this writer is interested in the former only to the extent that it may illuminate the latter, there is no need to consider to what extent, if any, writers other than Gramsci may have coproprietary rights in his thesis. Nor is the problem of Gramsci's motivations or the influences that acted upon him of much interest here. It may be, as Romeo suggests (following Venturi), that Gramsci had been impressed by the conceptual connection of *people* (the peasantry) and *nation* in Russian populism of the nineteenth century.⁷ More important, perhaps, is the fact that the Russian experience clearly demonstrated the revolutionary potentialities that can result from failures to carry out far-reaching and unambiguous agrarian reforms — be it in one direction or the other. It is therefore quite natural for those who have a professional interest in revolutions to stress the factor of agrarian discontent and to hope that in Italy it would also bring about profound revolutionary cataclysms. On the other hand, there is little reason to be surprised at the naive confidence in historical measurements derived from the use of the French yardstick. The belief that France has established the "normal" or "classic" pattern for modern political development has been as endemic in Marxian literature as the corresponding idea that England has established the normal or classic pattern for modern economic development. Each of these propositions, of course, is a half-truth, and, unfortunately, in historical

⁶ *Ibid.*, pp. 87, 106, 136, 167.

⁷ See *ReC*, p. 25.

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arithmetic two half-truths do not make a full one. In this particular case, moreover, the half-truths are at variance with one another.

It is a frequent occurrence in social sciences that concepts are formed in the nature of similes, by more or less remote analogies, and that afterwards inferences are drawn from the verbal identities which go much farther than was intended or suggested by the original comparison. The name "industrial revolution" was first coined by French writers in the spirit of an obvious metaphoric rapprochement between the political cataclysms of the French Revolution and the period of rapid economic change in England.⁸ Although the term was extra-Marxian and even pre-Marxian in origin, it fitted well into a political movement which considered itself revolutionary and into a system of economic thought which showed so much interest in the discontinuities of historical processes. In fact, the fit was so neat and tight that today the concept of industrial revolution is frequently regarded as specifically Marxian; a good deal of fairly inane opposition to the concept and of rather meaningless controversy about it seems to have originated in that belief.

The power of words being what it is, it should not be surprising that Marxians by intellectual predisposition were inclined to regard the Industrial Revolution — the breakthrough of modern industrial capitalism in England — and the political revolution in France as phenomena of the same order. In addition, the connection was further cemented by the general tenets of the materialistic conception of history with its stress on the economic bases of bourgeois revolutions, even though it was awkward from the theory's point of view that the two revolutions remained separated from each other by the English Channel. Still, in a vague and inchoate way, the positive character of the connection was never doubted. Economic transformation laid the basis for the revolutionary adjustment in superstructure which in turn opened the road to further economic progress. Essentially, the logical operation involved consisted in manipulating two oversized concepts: feudalism and capitalism. Capitalist development presupposed — an alternative and preferred way was to say that it *required* — destruction of feudalism. To do this was precisely the function of bourgeois

⁸ A. Bezanson, "The Early Use of the Term 'Industrial Revolution,'" *Quarterly Journal of Economics*, 1921-22, pp. 343-349.

revolutions. Leaving aside the economic causes of bourgeois revolutions, the conclusion that they effectively promoted — nay, were necessary for — capitalist development followed cogently from the premises.

There is little doubt that there is some very general level of inquiry at which such a framework can be usefully employed initially. But it is just as undeniable that dogmatic acceptance of those premises must soon lead into a cul-de-sac of meaningless assertions. The bland intimation that both feudalism and capitalism are operational concepts involves assumptions that are hard to accept. At the very least either concept must be absolutely homogeneous in the sense that all its component elements are, as it were, isodromic — pointing, that is, in the same historical direction. *Everything* in feudalism must be opposed to capitalist development and *everything* in capitalism must be premised upon elimination of all that is feudal. This does not make very good sense, and few historians would be willing to accept such a proposition. But once we grant that feudalism can act more or less restrictively upon capitalist development, the concepts that have seemed so compact are decomposed into many not necessarily consistent elements: some of the elements in feudalism may be neutral as far as capitalism is concerned; others may be outright favorable to it. In all such questions, the problem of comparisons, of common denominators, of appropriate yardsticks, measuring cups, and scales, is inevitably raised, and any meaningful discussion of such historical processes presupposes — and in fact consists of — the development of measurable, that is to say, essentially comparable concepts.

In addition, it requires a good deal of simple faith or intellectual recklessness to assume that the situations referred to under the names of “feudalism” and “capitalism” in different areas are sufficiently similar in all the relevant aspects; nor is it less adventurous to believe that passage of time can make no significant change in the relationships concerned. Finally, one must wonder whether “bourgeois revolutions” do really resemble each other so much and whether something that in reality is a complex aggregation of events and of varying sequences of events in very different situations and periods can be usefully subsumed under a single concept. Thus, the concepts that glide with perfect smoothness from a writer’s pen — feudalism,

capitalism, revolution, bourgeois or otherwise — are highly deceptive. They are neither readily comprehensible nor clearly operational. The suggestion that those who use them and those to whom they are addressed know *senz’ altro* what is meant by them is surely unwarranted. And just as the basic concepts are uncertain in content and meaning, no relationship connecting them can be safely considered of operational significance for predicting the future or explaining the past.

The foregoing discussion may seem to have moved too far away from both Gramsci’s thesis and Romeo’s discussion of it. This, however, is not so. In enlarging upon the conceptual problem, this writer has only attempted to make explicit what he considers the point of departure in Romeo’s criticism. It is another matter that Romeo himself has not completely liberated himself from the use of dubious concepts. It is certainly surprising to see him waxing indignant at Aldo Romano’s thesis that the Sicilian economy during the Risorgimento was not prevalently feudal but only “semifeudal.”⁹ His dissatisfaction is not caused by the attempt to couch highly impressionistic judgments in the guise of seemingly precise propositions. Romano, he says, has failed to grasp that feudalism is perfectly compatible with progress in the “sphere of production.” This is not easy to accept or even to follow.¹⁰ There is every reason to welcome Romeo’s interest in the development of output, but within the broad rules of etymology and morphology we all are masters over the words we use, and Romeo’s insistence on the *correct* rather than the *appropriate* concept is disturbing. All this is a good illustration of the arbitrary rigidity and the semantic fetishism which spread irresistibly whenever concepts are used which are too big for a man to handle. It is curious indeed that Romeo should be seduced into this dogmatic lapse in a study which appears to constitute an attempt to escape from the conceptual three-tree forest in which so many have managed to get lost, very much like those legendary founders of a city in Russia who had contrived to lose their way among three fir trees, according to the tale told by Shchedrin, the celebrated Russian satirist.

⁹ *ReC*, p. 66.

¹⁰ All the more so since Romeo himself used the term “semifeudalism” in a different sense to characterize Sicilian conditions. See *Il Risorgimento in Sicilia*, p. 251. Romeo frankly refers to this circumstance in *ReC*, p. 70.

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Romeo's thesis is quickly stated: the bewailed fact that the Italian Risorgimento did not involve, or did not lead to, an agrarian revolution with a concomitant expropriation of large landholders in favor of the peasantry must be considered fortunate from the point of view of the development of Italian capitalism. Since Romeo is quite willing to conceive of capitalism primarily in terms of industrial output, he operates in terms of at least potentially measurable magnitudes. The thesis, then, is that the agrarian structure of unified Italy tended to accelerate rather than retard industrial development. More precisely, it was the failure to carry out the agrarian revolution that made it possible to use agriculture as a source for the *original accumulation of capital*.

Before we consider the nature of the concept and the use Romeo has made of it, and before we appraise the degree of plausibility which our author has succeeded in establishing for his proposition, one more preliminary remark may be in order. Romeo's thesis presents itself as a refutation of Gramsci's, and there is a certain irony in using a specifically Marxian tool for the task. Nevertheless, it is probably more correct to suggest that Romeo cannot controvert Gramsci because he is interested in a different set of problems. Eli Heckscher once remarked that the Marxians' contribution to *economic* history turned out to be so meager because as a rule they preferred to study the influence of the "infrastructure" upon the "superstructure" and were really more interested in the latter.¹¹ There are notable exceptions to the rule, but Gramsci's thoughts on the Risorgimento are not among them. His interests are predominantly political and his few passing references to economic policies are quite unexciting. By contrast, Romeo's primary concern is the development of the Italian economy, and his study deserves to be viewed and judged as a contribution to a highly significant chapter in the economic history of Italy in the second half of the last century.

The present writer recently had an opportunity to express his own views on the concept of original accumulation of capital [see Chapter 2 of this volume], and Romeo has referred to them in his second essay. There is little that can or should be added here, except

¹¹ "Quantitative Measurement in Economic History," *Quarterly Journal of Economics*, LIII (1939), 169.

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that some references to recent discussions of the subject in Soviet Russia may be included for the additional light they cast on the difficulties that seem to be partly inherent in the concept and partly in the dogmatic interpretations thereof. In addition, the deficiencies of the Soviet treatment of the problem should serve to place Romeo's contribution in proper perspective.

II

Few would disagree that Chapter 24 in Volume One of *Das Kapital* constitutes one of the most imaginative contributions to the history and the theory of economic development. But it is one thing to admire Marx's intuitions and to benefit from their highly suggestive brilliance, and it is another to use them as symbols in a ritualistic ceremony rather than as tools in an independent analysis.

Within the last few years, Soviet economists and historians have shown increased interest in the concept of original accumulation of capital. In May 1955, the Institute of History of the Soviet Academy of Sciences convened a special meeting which was somewhat pleonastically described as a "scientific-theoretical conference" for the discussion of "original accumulation of capital in Russia." Thereafter, several studies of various length appeared, some of which contained some interesting material. Nevertheless, it seems fair to say that the excessive intellectual timorousness of Soviet scholars has so far prevented them from a careful delimitation of the problems involved. Generally it is by attempting to refute a concept that one can hope to derive benefit from it. Marxian concepts are no exception to the rule.

Marx, writing as he did *ex abundantia ingenii* and surveying a virtually unexplored landscape, was satisfied to point to a problem and to present, in the light of some empirical material, a few hypotheses about the main elements involved and their possible interconnection. As was his wont, he presented those hypotheses in the guise of categorical assertions. In addition, he was eager to cast further aspersions on the capitalist system, knowing full well how easily origin and essence of phenomena are confounded in the human mind.

Marx assumed that the capitalist system cannot "begin" to function unless preceded by an accumulation of wealth and the emergence

of a group of people who are willing — because deprived of other alternatives — to become hired laborers in capitalist enterprises. Wealth obviously could be, and in historical fact was, formed from a great variety of sources. It was, however, both intellectually and politically tempting to Marx to concentrate especially on one of the possible sources of wealth formation: the dispossession of small peasants. There was a certain beauty in solving two distinct problems *uno actu*, and there was a certain extrascientific satisfaction in being able to say that “the so-called original accumulation is nothing but the historical process of separation of producers from the means of production.”¹² The point here is not that Marx greatly exaggerated the importance of the English enclosures in the sixteenth century. What matters is that his statement is really at variance both with the definition of the problem by Marx himself and with the historical material he had assembled. Marx presented a long list of other sources of original accumulation, a good many of which, while containing a strong element of violence, did not necessarily involve any “expropriation” of the small in favor of the great. The interest Marx showed in these “other” sources of original capital accumulation demonstrates clearly that he regarded the “precapitalist” accumulation of capital as a prerequisite of capitalist development, quite independently of the formation of a working class.

For the rest, almost everything was left open. Marx did not go into much detail in explaining just how accumulated wealth became “capital” outside agriculture. He was not interested in differentiating the needs for such original capital according to differences in historical situation; to do this would have quantified the character of original accumulation as a necessary precondition, and it went against the spirit and the custom of his thought to admit that patterns of historical events may be more or less “necessary.” Nor did Marx, properly speaking, make it in any way explicit why an original accumulation was necessary at all; nor did he explain how operational meaning could be breathed into the twin concepts of “originality” of accumulation and “beginning” of a system. There is more than a fleeting suggestion that, carried away by his quick brush, Marx added many a stroke to his canvas that tended to blur the contours and distort the

¹² *Das Kapital* (Volksausgabe, Moscow, 1932), 753.

perspective of the picture. Was it, for instance, really useful to regard the most variegated activities of the state, from payment of interest on the national debt to protection of domestic industries, as part and parcel of the process of *original* accumulation? Was there not, on the contrary, some insight to be gained in regarding at least some state activities as alternatives to, rather than as an integral part of, *original* accumulation? And, finally, if there was a problem in defining the “beginning” of capitalism, was there not another one in defining the beginning of the original accumulation of capital? These are only some of the questions left unanswered in the Marxian sketch, and no one seriously preoccupied with the concept of original accumulation could possibly avoid probing into them. It is indeed astonishing to see how Soviet scholars, bound by the letter rather than the word, have succeeded in placing a sanctified Marx as an obstruction between his own concepts and their historical research.

The great value of the Marxian concept lies in the fact that it presupposes a type of economic development which encompasses a big spurt of industrialization. It is this assumption which makes the concept of the “beginning” a meaningful one, and it is the large amounts of capital needed to launch and to sustain such a spurt that alone justify the concept of original, that is, prespurt, accumulation. Without the industrial spurt the concept is destitute of meaning. For the simple question as to where the “first capital” came from (before the capital stock started growing from plowed-back “capitalist” profits) is hardly much more sensible or interesting than the question asked in a famous Russian comedy of the eighteenth century: from whom did the “first tailor” learn his trade?¹³ But to relate original accumulation to the big spurt does several things. First, it makes the Marxian model a very realistic one, since the industrial history of a number of major countries does in fact register the occurrence of such spurts. Second, it divests the concept of original accumulation of any inherent necessities, iron or otherwise, because in those cases in which big spurts did not occur — and economic history provides us with them, too — capitalist development could very well “begin” without

¹³ Curiously enough, Marx did not ignore the problem of the “first tailor” either. With reference to the origin of professions he says: “People had tailored for thousands of years before a man became a tailor” (*Kapital*, p. 47).

any specific previous accumulation. Third, it quantifies the concept, since more or less "original" capital accumulation will be needed depending on just how big the big spurt is and also depending on its precise character, that is to say, on the capital-output ratios which in turn depend on a variety of factors involving technology, the structure of demand, the composition of the nascent industry, and others. In addition, there is the problem of those sources of capital finance which are *not* "capitalist" profits and yet can usefully be separated from original accumulation and, indeed, should be treated as alternatives to it.

One would look in vain in Soviet literature for an attempt to establish a model of economic development and then to determine what place, if any, the concept of original accumulation would have within such a model. At the threshold of the recent discussion of the subject in Soviet Russia stands an article by Pankratova, in which she does say that accumulation of merchant capital is the historical prerequisite for the capitalist method of production because the latter needs previous concentrations of monetary wealth and also presupposes production for trade.¹⁴ But while thus recognizing, though without analyzing, the independent significance of capital accumulation, she proceeds to abuse, as "revisionists," "apologists," and even "traitors of the working class," all those who do not conjoin the problem of wealth formation with that of expropriation of the small producers. The author, in her methodological innocence, does not even bother to explain why the two problems must not be separated. Is it because Marx said so; or is it because this makes good sense within some model that the author unfortunately does not describe; or is it because the connection has been well established by empirical research, so that the presence of the one factor has never been discovered without the other; or is it simply because stressing the connection is prescribed by the code of good — and safe — manners in Soviet Russia? Whatever the answer, Pankratova's style and tone do not make for an atmosphere in which fruitful theoretical discussion is possible.

It is not surprising, therefore, that the previously mentioned

¹⁴ A. M. Pankratova, "O roli tovarnogo proizvodstva pri perekhode ot feodalizma k kapitalizmu" (On the Role of Commodity Production during the Transition from Feudalism to Capitalism), *Voprosy istorii*, IX (1953), 62-63.

conference showed more confusion than clarity. One of the main speakers, Pavlenko, tamely repeated the Marxian proposition of monetary accumulation and creation of "free" proletarians as the two sides of the same phenomenon and was only disturbed by the fact that coincidence of these two factors did not in historical reality always result in the creation of a capitalist system; accordingly, he insisted that for monetary accumulation and expropriation to be a truly "original" capital accumulation, a number of other factors had to be present.¹⁵ This is true, but trite. What it really means is that to transform original accumulation into an operationally useful statement, one should have gone into the problem of transformation of wealth into capital which again, at the very least, would have required a discussion in terms of creation of claims upon current income and in terms of changing rates of investment and changing rates of growth of output. At the same time, the other main speaker, Kafengauz, apparently wished, on the one hand, to stress the element of violence in the process and, on the other, to have the original accumulation of capital understood in terms of creation of large-scale enterprises.¹⁶ It is not at all impossible that an interesting set of problems for research would result from an attempt to operate with the concept of original accumulation in real terms rather than in monetary terms. But to do so would require construction of a model in which a proper distinction would have to be made between "original" and "subsequent" real capital; the connection between the two would have to be elucidated, and the sense would have to be explained in which *original* accumulation could be regarded as such, not simply as a banal "coming early in the game." There seems to be no sign of such an attempt in Kafengauz' paper.¹⁷

Since neither speaker provided any framework, the discussion seems to have moved back and forth without guide or beacon. Several

¹⁵ N. I. Pavlenko, "O nekotorykh storonakh pervonachal'nogo nakopleniya v Rossii" (On Some Aspects of Original Accumulation in Russia), *Istoricheskiye Zapiski*, LIV (Moscow, 1955), 382-383.

¹⁶ "Nauchno-teoreticheskaya konferentsiya o pervonachal'nom nakoplenii v Rossii" (The Scientific-Theoretical Conference on Original Accumulation in Russia; hereafter abbreviated *Conference*), *Istoricheskiye Zapiski*, LIV, 240.

¹⁷ It should be noted, however, that this writer has not seen Kafengauz' full statement and is relying on a summary report.

participants tried to lay the evil spirits that no doubt were watching them by making the magic sign and accusing the main speakers and other participants in the debate of not paying enough attention to the "expropriation" aspect of the problem.¹⁸ Since the discussion was without methodological orientation, the concept of original accumulation of capital was at the mercy of any fleeting fancy. One participant suggested that the right of the Russian estate owner to require labor services or quitrents from the peasants was a form of original accumulation of capital.¹⁹ Also, the historical limits of the period of original accumulation were subject to much debate. Two women speakers disagreed as to whether the period of original accumulation preceded or followed the period of "manufactories" (large-scale shops as yet unequipped with machinery).²⁰ Again, the problem presumably was one of conversion of wealth into capital, but it was not described as such and hardly could have been meaningfully posed without a firm conceptual basis. Similarly, the "end" of the period of original accumulation remained quite vague. This was well illustrated by the suggestion of one of the speakers that Stolypin's reforms (1906-1910) also constituted original capital accumulation.²¹ That such a suggestion could be made, and that an economic policy which followed rather than preceded the great spurt of Russian industrialization could still be regarded as being in some sense "original," is the final evidence for the prevailing state of confusion.

Nevertheless, this *Hexenkuechen* reversal of "late" and "soon," preposterous as it may seem, is not without some good sense. And, indeed, a redeeming feature of the discussion was the willingness of several participants to speak of a "Russian variant" of the process of original accumulation.²² This no doubt is an innovation. Not that the differences in English and Russian economic history with respect to original accumulation (however defined) were not obvious. Lyash-

¹⁸ Conference, p. 422 (Preobrazhenski); pp. 423-424 (Skazkin); p. 425 (Dubrovski). See also, M. D. Kurmacheva, "Obsuzhdeniye voprosa o pervonachal'nom nakoplenii v Rossii" (Discussion of the Question of Original Accumulation in Russia) *Voprosy istorii*, XI (1955), 163 (Vilenskaya).

¹⁹ Conference, p. 424.

²⁰ Conference, p. 424 (Zaozerskaya) and p. 426 (Vilenskaya).

²¹ Kurmacheva, p. 165.

²² Conference, p. 423 (Yakotsevski); p. 425 (Dubrovski); p. 426 (Vilenskaya).

chenko, a distinguished economic historian who had managed to show some independence of mind even during the very trying periods of recent Soviet history, did not hesitate to say that the process of original accumulation in Russia differed from the "classical form" which Marx said it had taken in England.²³ But, in general, the tendency to insist on ubiquitous Marxian "laws of development" had been strong and deep-rooted in Soviet writings. The attitude, no doubt, was established in the remote days when young Russian Marxists opposed the populists, when everything seemed to depend on showing that there was no special Russian way of economic development and that Russia was bound to repeat the experience of the West. It is significant, therefore, that in our time even a hyperorthodox writer such as Pankratova joined in the chorus of references to the "Russian variant."²⁴ It may well be that an increased sense of national self-importance helped to spread the view that Russian economic history, too, might present a classical case in its own right. Whatever the reason, the change in attitude is tangibly perceptible. Probably its most significant emanation to date is the recent book by Polyanski on the original accumulation of capital.²⁵

In the light of the views which had prevailed in Soviet literature for such a long time, it makes odd reading when Polyanski writes: "Bourgeois economists still confine their research to the sphere of the 'western world' which they regard as the epicenter of the globe terrestrial. But this point of view has become antiquated a long time ago. In reality, Western Europe supplied only *one* variant of the genesis of capitalism. Russia, however, provided another variant for the development and stabilization of capitalism."²⁶ Leaving aside the somewhat naive assertion of Russian parity with the West and the not much shrewder strategy of defending or disguising a departure

²³ P. I. Lyashchenko, *Istoriya narodnogo khozyaystva SSSR* (Economic History of the USSR), II (Moscow, 1948), 6.

²⁴ A. M. Pankratova, "Proletarizatsiya krest'yanstva i yeye rol' v formirovanii promyshlennogo proletariata Rossii" (Proletarianization of the Peasantry and Its Role in the Formation of Russia's Industrial Proletariat), *Istoricheskiye Zapiski*, LIV, (Moscow, 1955), 199.

²⁵ F. Ya. Polyanskii, *Pervonachal'noye nakopleniye kapitala v Rossii* (The Original Accumulation of Capital in Russia) (Moscow, 1958).

²⁶ *Ibid.*, p. 4.

from traditionally held doctrines by rechristening them "bourgeois," the stress on the Russian variant has the tendency to liberate the study of Russian economic history from preconceived ideas.²⁷ Indeed, Polyanski feels much freer than did his predecessors to study the complexities of the relations between the system of serfdom and the industrialization of the country. He is also less inhibited in dealing with the phenomenon of serf-entrepreneurs and can stress the differences in the position of the so-called state peasants with regard to their geographic and social mobility as compared with the privately owned serfs. He can entertain the possibility that pressure for high quitrents on the part of the serf owners may have contributed to the labor supply for industrial enterprises in Russia, thus revealing a "positive" feature of Russian feudalism in its relation to capitalism. For the rest, however, Polyanski's study is nothing more than an intelligent and industrious account in two separate parts of the formation of wealth and of the formation of the labor force in Russia. The account is still vitiated by the traditional unwillingness of Soviet writers to appreciate fully the role of the state in the process of Russian economic development. At one point, with a simplicity that is nothing if not disarming, the author warns against "illicit exaggeration" of state policies under Peter the Great. The danger that must be avoided is "a concession to an idealistic interpretation of the genesis of feudalism in Russia."²⁸ Thereby, of course, narrow limits are set to the author's emancipation from the doctrine of global uniformity. For to a very large extent, it is precisely the special role of the state that constitutes the essence of the Russian variant of economic development.²⁹

²⁷ This stress on the peculiarities of Russian economic development does not prevent the author from making his obeisance to the traditional view: "Basically the laws governing the sequence of socioeconomic formations are the same in all countries, and this proposition is correct also for the transition from feudalism to capitalism. In all countries, capitalism emerged as a result of the original accumulation of capital. But if the result of the process turned out to be the same, it is obvious that also the essence of the process itself must have been identical" (p. 4). The rites and customs of Soviet scholarship do constitute a rich field for anthropological research.

²⁸ P. 178.

²⁹ Similarly, Soviet writers cannot bring themselves to assign proper importance to the preservation of the Russian field commune (*obshchina*) beyond the emancipation of the Russian peasantry. Again, Russian Marxists of the last century were so

The main point remains the one previously made. In the absence of a proper analytical framework, Polyanski, too, is unable to study the problems of the "original accumulation of capital," properly speaking. What he does present is a good deal of empirical materials on the early history of the creation of fortunes and on the industrial labor force. In addition, he offers more information than is usually supplied in Russian sources on the emergence of entrepreneurial groups. All this is useful, though the discussion is incomplete in many respects.³⁰ Even the very inchoate attempt made in the concluding section to compare the Russian development not only with that of England but also with that of several other West European countries, pointing up similarities and differences, is not entirely devoid of interest. But, by and large, Polyanski's study deserves the same criticism as was leveled at the aforementioned conference against the papers of Pavlenko and Kafengauz.³¹ It is essentially a narrative dealing chiefly with the early beginnings of Russian industrial development. As such there is actually very little difference between a book by Polyanski which is said to be devoted to the problem of original accumulation and a general survey of the "feudal economy" in Russia by a writer like Khromov.³² Since Polyanski never raises the question of the usefulness of the concept, he is at a loss for a criterion for the termination of his period of original accumulation. It is almost at random that he fixes upon the year 1873, the year of "an industrial crisis which showed that Russia had become a capitalistic country."³³ "Naturally," he adds, "also after 1873 various phenomena of original accumulation of capital accompanied the development of capitalism

eager to confound the populists by showing that the *obshchina* already had disintegrated that even now it still seems improper in Soviet historiography to impute any serious retarding effect to it.

³⁰ See, for instance, the much more imaginative discussion of the wealth creating function of national debt in a recent essay by S. Borovoy, "Rostovshchichestvo, kazennyye ssudy i gosudarstvennyy dolg" (Usury, Government Credit, and the National Debt) in L. G. Beskrovny, E. I. Zaozerskaya, A. A. Preobrazhenski, eds., *K voprosu o pervonachal'nom nakoplenii v Rossii* (On the Question of the Original Accumulation in Russia) (Moscow, 1958), pp. 497-537.

³¹ Conference, p. 421 (Ustyugov); p. 425 (Dubrovski).

³² P. A. Khromov, *Ocherki ekonomiki feodalizma v Rossii* (Essays on the Feudal Economy in Russia) (Moscow, 1957).

³³ P. 21.

in Russia. But such phenomena [then] had no more than an auxiliary character in the development of Russian capitalism."²⁴ This highly superficial treatment supplies perhaps the strongest evidence for the inability of Soviet writers to do justice to Marx's concept. True to Mephisto's precepts, they have managed "den Geist heraus zu treiben," to exorcise the spirit out of the concept. The result has been accurately predicted:

Dann hat er die Teile in seiner Hand,
Fehlt leider! nur das geistige Band.

All the comparisons between the importance of piracy in one case and of national debt in another as sources of fortune making cannot compensate for the lack of a theoretical approach to the problem of economic development. Without such an approach, the concept will not yield any really new insights, however much one may talk about the Russian variant. But to develop such a concept requires courage. The ways of analysis are dangerous. Paradoxically enough, to extract the maximum possible insight value from a concept, one must be prepared to abandon it at a certain point. Despite all the "thaw," the mercury in the intellectual thermometers in Russia is still far below the degree of independence that is requisite for the job.

III

The preceding sketch of the recent vicissitudes of original accumulation in Russia provides a useful background for the discussion of the use Rosario Romeo has chosen to make of the concept. The difference between an apprenticelike mimicry and a mature and creative formulation of the problem is quite striking.

While the Soviet writers never stop to wonder what original accumulation of capital really is all about, Romeo clearly visualizes it as a problem in aggregate economics and proceeds to define its component parts in measurable terms and to determine the interconnections among them. It is then in terms of the resulting pattern that Romeo attempts to view the economic history of the twenty-five years which followed the unification of Italy. The main elements in the pattern stand out distinctly.

²⁴ P. 157.

At the basis of the pattern is the growth in agricultural output which went apace through most of the period from 1861 to 1880. The next step refers to the utilization of this increase in output. Only a portion of it was used to satisfy the needs of the increase in population which took place during that period. The per-capita real incomes of the rural population either remained constant or actually declined. The difference between the higher per-capita output and the lagging per-capita consumption in agriculture went into increase of land rents.

Precisely because Romeo tries to arrive at a comprehensive view of the problem, he is not satisfied with the mere fact that some high incomes in agriculture rose still higher. Whether he can regard those additionally accrued incomes as actual sources of the original accumulation of capital must depend on the utilization to which those funds were put.

Romeo's second point, therefore, is this: the decades of the sixties and seventies of the last century were the years of preparation for the coming industrialization. It is during those years that the preliminary conditions for industrial development were created. According to Romeo, those preliminary conditions essentially refer to what in modern economic jargon has come to be called "economic infrastructure," an unbeautiful but widely accepted term. The idea is that it is only upon this infrastructure of railroads, roads, canals, and similar creations that the industrial superstructure can be erected. For Italy of the period, the problem largely was reduced to the supply of capital for railroad construction. Romeo admits that much of the capital for the purpose came from foreign sources, but a sizable part, he argues, was obtained from agriculture, both in the form of voluntary savings and through taxes whose burden lay heavily on agricultural incomes.

The accumulation of capital which underlay this investment was thus "original" or "previous" in a twofold sense. First because it preceded and prepared the coming industrial upswing; but second, and in a more specific and more unusual sense, because the funds were not used directly to finance industrial investment but, rather, the creation of services which would facilitate subsequent industrial investment and growth of industrial output. (Later on, something more will have to be said about this view of original accumulation.)

This process is said to have come to an end roughly with the termination of the second postunification decade. The industrial upswing between 1880 and 1887 proceeded in the atmosphere of an agrarian depression. The expansion of agricultural output had stopped, and the government was forced to relax taxes on agriculture and to shift some of the burden to the nonagricultural sectors of the economy.

This is Romeo's scheme. As a refutation of the Gramsci thesis its inferential sequence is clear. Had an agrarian revolution taken place, output in agriculture may not have risen to the same extent or not at all; and, at any rate, the peasants emerging victorious from a revolution would not have brooked the government's encroachments upon their incomes. As a result, the formation of the infrastructure would have been delayed and the industrial upswing of the 1880s would have been weakened or might not have materialized at all.

This reasoning is not implausible, but it refers to something that is a side issue. The real interest of Romeo's presentation lies neither in showing what might have been nor in his ability to score a debating point against dogmatic inflexibility. Romeo's book deserves to be appraised primarily as a study of Italian industrial development. Such an appraisal involves both discussion of the evidence offered by the author and a general evaluation of the plausibility and usefulness of his approach, including his concept of original accumulation.

As said before, what Romeo has presented is a model of Italian industrial development in the nineteenth century which, at least in principle, involves measurable magnitudes. To have thought in those terms no doubt marks considerable progress in the economic historiography of Italy. But Romeo has done more: he has made a serious effort to fill in the numerical data required by his model, thus moving the treatment of the problem to a less abstract level. It was of course a happy accident that, shortly after the publication of Romeo's first essay, the Istituto Centrale di Statistica issued its significant study on the long-term growth of Italian national income.⁸⁵ While this study is not the only source upon which Romeo has drawn for his statistical information, there is no question that the wealth of material it contains has been of crucial significance. It seems clear that the validity

⁸⁵ *Indagine statistica sullo sviluppo del reddito nazionale dell'Italia dal 1861 al 1956*, *Annali di Statistica*, IX (Rome, 1957); hereafter abbreviated *SRNI*.

of Romeo's conclusion to a considerable extent depends on the validity of the statistics offered in the institute's study.

The present writer has seen no serious critical analysis of that study. It is true, however, that at least in one or two cases the data contained in the study appear somewhat bewildering.⁸⁶ And it is also true that, from Romeo's point of view especially, the astonishingly low rate of growth which the institute's data yield for the 1880s creates a real difficulty. After having used the institute's data throughout, he must suddenly refuse to accept them for 1880-1887, lest he lose his historical verification for the denouement as envisaged by his model. If there was no industrial upswing in the 1880s, it is hard to see in what sense the two preceding decades can be conceived of as representing original accumulation of capital and preliminary investment.

All this is not said in order to cast aspersions on the institute's study. There is no question that, thanks to its pioneering effort, all students of Italian economic development find themselves deeply in the institute's debt. It is true that for the time being it may be the better part of prudence to keep in mind the uncertainty that naturally

⁸⁶ For example, one is baffled by the very irregular pattern shown by the relation between investment and growth of national income between 1860 and 1910. It would seem that, however much one might vary the assumptions concerning the lags involved, no plausible hypothesis would result to explain the changing pattern of capital-output ratios implied in the institute data (the pertinent capital-output ratios have been computed from *SRNI*, pp. 251, 266, 270).

More important is the case of data on industrial output in the 1880s to which Romeo refers in his book. Like him and others, the present writer was surprised to find very considerable discrepancies in the rate of growth for that period between the institute study and his own attempt at computing such a rate (see *SRNI*, p. 218, and Chapter 4 of this volume). The rates implied in the institute study are uniformly lower for all the comparable subperiods of the period 1881-1914, but for 1881-1888 my own study shows an average annual rate of growth of 4.6 percent, while the institute's rate is below 1 percent. It is true that the choice of the terminal year changes the picture somewhat: the institute's rate for 1881-1887 (rather than 1881-1888) rises to 1.77 percent. But the discrepancy still remains considerable. The differences in the other subperiods may be quite naturally explicable by the difference between the 1938 weights used in the institute study and the turn-of-the-century weights in my computations. That the institute's rates of growth are lower throughout would lend further credibility to such an interpretation. But the discrepancy in the 1880s is much too large to be explained in these terms, and the institute data certainly are at variance with our general information on the period. Still, pending further study, one must reserve judgment.

attaches to first steps in such a vast and difficult field. It is furthermore true that future revisions may affect many magnitudes and alter the weights we may be willing to impute to them in our own analyses. For the purposes of this discussion, the present writer is quite willing to follow Romeo in accepting the bulk of the institute's data. To do so, however, does not necessarily mean accepting Romeo's evaluation of those data. It would seem that he has tended to magnify unduly some fairly modest developments as pictured by the statistics.

Romeo, no doubt, is quite correct in stressing the fact of an increase in agricultural output between 1861 and 1880. But its extent is open to question. With regard to output data in physical terms, it is disconcerting to see the staggering discrepancies that exist between two sources which Romeo cites and which contain data on changes in output of a number of agricultural commodities.³⁷ It is such data that no doubt underlie the value estimates of agricultural output presented in the institute study, and the discrepancies in the basic data certainly detract from the reliability of the value figure. If, however, following the previous decision, we decide to accept the latter as reasonably correct, two conclusions emerge irresistibly. First, the rise in output over the period is indisputable; this is clearly shown by the data on value of marketable gross output of agriculture, at least for the first fifteen years after the unification. Second, the rate of increase was far from overwhelming, amounting as it did to 2.7 percent a year for the first decade and to only 2 percent a year between 1861-65 and 1876-80.³⁸

As mentioned before, Romeo places some emphasis upon the accrual of voluntary savings and their role in financing the "preliminary" investment. It is perfectly true that, according to the institute study, the rate of saving was negligible in the first quinquennium after the unification and then rose to an average of about 4 percent in the three following quinquennia.³⁹ In the light of what we know about such rates in other countries in periods of industrialization and in periods preceding industrialization, it is difficult to consider a rate of 4 percent a very high one. Nor was it a high one in comparison to

³⁷ *ReC*, pp. 118-119.

³⁸ Computed from *SRNI*, p. 204.

³⁹ Computed from *SRNI*, p. 264.

rates of saving achieved in other periods of economic development in history. It is interesting that the rate of saving reached its first peak in the first half of the eighties, at a time when the agricultural depression had reduced both incomes and savings. On the other hand, the fact that the peak in the rate was reached during an industrial upswing points more toward "simultaneity" than toward "previousness" in accumulation. The peak level (6 percent), incidentally, was not reached again until the last quinquennium of the century, when the big spurt of Italian industrialization was launched. The saving rate then nearly doubled in the following decade, which means that when Italian industrialization was going full speed the saving rate was about *three times* as high as it had been in the period of Romeo's original accumulation.

At the same time, it is difficult to suppress some uneasiness at the rate of investment that materialized during the first two decades after the unification. The rate of *gross* investment (at current prices) seems to have fluctuated between 7.9 and 9.8 percent.⁴⁰ This is hardly impressive. It must also be noted that during the same period public works constituted a portion of gross national product which was very small to start with and which went on declining from quinquennium to quinquennium. It was only in the first half of the 1880s that the share of public works in GNP returned to the (still quite low) level of the early 1860s.⁴¹ Nor, finally, is it easy to accept Romeo's picture of the two decades as a period of busy activity, as an "infrastructure" boom, in the light of the data given in the institute study on the rate of growth of per-capita national income (at 1938 prices): the first decade after unification showed an annual rise of .3 percent (three tenths of 1 percent); the second decade showed a *decline* of .23 percent (minus twenty-three hundredths of 1 percent) per year.⁴² The general impression from consulting those five sets of figures or

⁴⁰ Computed from *SRNI*, pp. 249, 264.

⁴¹ Computed from *SRNI*, pp. 249, 264. The percentage ratio of public works to GNP was as follows:

1861-65	2.8
1866-70	2.1
1871-75	1.9
1875-80	1.6
1881-85	2.8

⁴² Computed from *SRNI*, p. 251.

ratios is that whatever economic transformation was afoot during those "preparatory" decades was not large enough to affect the aggregate magnitudes in any really significant fashion.

To some extent, the difficulty is aggravated by Romeo's special concept of original accumulation. Had he operated with a narrower concept, he would have assumed some sort of hiatus between the formation of wealth and its subsequent conversion into investment funds. Then no one would expect data on national income to show much change during the "accumulation period" as distinguished from the "productive investment period." But, from mere creation of claims upon future national product, the concept in Romeo's hands has evolved into creation of titles to current income, the *originally* accumulated funds being *currently* deflected into investments designed to finance the infrastructure of the economy. Under these conditions one would expect to see high capital-output ratios (fitting the conditions of railroad construction); and even though the railroads were slow in showing profits, their construction and operation was bound to increase the total value added within the economy. The statistics, however, disappoint both expectations. If we abide by the previous decision and abstain from questioning the data, the conclusion suggests itself that the process of what Romeo calls original accumulation may have been in reality less important quantitatively than he believes it to be.

Having said this much, one must say more. The model proposed by Romeo has the advantage of being extremely well ordered. "First things must come first" seems to be writ large over the model: there is a period of preparation, during which the prerequisites for the subsequent growth are created, and then the growth itself takes place. In this view economic development appears as a very logically and methodically arranged sequence of phenomena. Perhaps it was with his own model in mind that Romeo quoted approvingly Saporì's remark that "logic and history in the last analysis are one and the same thing."⁴⁸ But Clío is not a tidy housewife. Though it is useful

⁴⁸ *ReC*, p. 112. For the rest, Saporì's saying is mystifying, to say the least. Does it simply mean that it is through a set of hypotheses that the historian must approach his material and that the hypotheses must be formally, though not substantively, consistent? This, of course, would be quite acceptable. But Saporì appar-

in the first approximation to separate preparation of growth from the "real thing," and though it is also true that some of the empirical material from the European economic development in the nineteenth century can be profitably organized in this way, it is equally true that, in the industrial history of those European countries whose degree of backwardness was considerable, preparation for industrialization and industrialization itself tended to be much more closely interwoven. This is intimately connected with a general observation: the greater a country's degree of backwardness on the eve of its big spurt of industrialization, the more likely it is for factors which may have appeared as prerequisites of industrial development in less backward countries to be either absent or to play a subordinate role. The probability is that in such countries the lacking "prerequisites" were substituted for by other factors and that many a factor which in a more advanced country could be meaningfully regarded as a prerequisite came into being in the more backward country as a *result* of the industrialization. Thus one can suggest that in the more backward countries much of the "preparation" tended to coincide with the industrial upsurge. One is indeed tempted to say that it was precisely this merging of periods that was the actual precondition for the rapid industrialization. In other words, it is altogether possible to believe that in a backward country a period of preparation that is consummated before the industrial upsurge takes place makes it *impossible* for the latter to materialize. This appears paradoxical only if one refuses to recognize the complexities of the specific "logic" of economic backwardness. Italy's industrialization provides perhaps the best possible illustration of these relations. It seems a well-grounded historical assumption to say that one of the factors that kept down the rate of industrial growth in Italy during the big spurt of 1896-1908 was precisely the fact that the construction of the railroad system had been essentially completed before the beginning of the period. If the demand that is associated with railroad construction

ently was willing to say much more and to suggest that, whenever statistical material is at variance with the hypothesis and threatens to falsify it, the logic of history must prevail. There is magic and—who knows?—perhaps even some sense in words like *Gestalt*, except that it is difficult to see how Romeo, who has been so patient and persistent about collecting material in support of his model, can possibly share Saporì's view. And how can Saporì himself?

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had been maintained, the period 1896-1908 might well have showed a still higher rate of industrial growth, one that would have been more consonant with the degree of relative backwardness of the Italian economy at the time.⁴⁴

What follows from the preceding remarks? The purpose was not to take exception to Romeo's general appraisal of Italian economic development. When he emphasizes the splendidly successful effort of transforming Italy into a modern industrial country — the only one on the shores of the Mediterranean Sea — in the face of truly formidable obstacles, Romeo stands on very firm ground. His case in this respect is so strong that even his citing in support of it the very adventurous figures of Colin Clark cannot weaken it much.⁴⁵ But this is not the point. In the end, everything tends to come out in the historical wash, and looking at the result of a process is unlikely to offer much enlightenment on its early stages. And it is the latter that are at issue here.

"The present writer cannot help feeling that Romeo treats the problem of demand and the role of the market in the process of industrialization somewhat too lightly. On the one hand, it need not be correct to say that the large imports of industrial consumers' goods from France and England demonstrated the existence of a large internal market (*ReC*, p. 108). The demand for foreign products frequently cannot be transformed into a demand for domestic wares without a previous shift in purchasing power from receivers of relatively high to those of relatively low incomes. On the other hand, Nurkse's statement, which Romeo quotes, that in the last analysis the market can be enlarged only by production, surely cannot be taken to mean that production will find its market under all circumstances (*ReC*, pp. 105-106). The internal market as represented by the peasantry can become unimportant for industrialization — and in fact a retarding force — if someone else, say the state, is willing and able to engender industrial production and at the same time to constitute the market for the goods produced. This is one of the substitution patterns that occur in the industrialization of backward countries. Besides, the demand of the state is not the only possible substitution of this kind. Entrepreneurs acting in accordance with stable optimistic expectations and maintaining for a long time the demand for each other's investment goods can be just as effective a substitute for the demand of the peasantry. Such substitutions often are very likely to take place, but there is no assurance that they actually will. If they do not, the rate of industrial growth is likely to suffer, but the rate that is maintained will surely depend on the existence of the demand emanating from the internal market. The case against the potential importance of the internal market in Italy should, therefore, be argued not in terms of a general proposition, but rather in terms of the probability that preferable, because more effective, substitutes for the internal market would be, or actually were, available.

⁴⁵ *ReC*, pp. 197-199.

ROSARIO ROMEO AND ORIGINAL ACCUMULATION

Romeo's way of viewing the economic development of Italy during the first quarter of the century after unification may be useful in pointing up what was accomplished during that period. But it is at least equally useful to remain aware of the inadequacies and shortcomings of that evolution. This is not just to cast a slur on policies — although policies must be criticized — but because, otherwise, very legitimate questions regarding the slowness and belatedness of Italian industrialization would remain unanswered. The crux of the problem, the focus upon which everything converges, is the evaluation of the industrial upswing of the 1880s. That period Romeo himself characterizes rather "discreetly" as a time of a "discreetly rapid development."⁴⁶ But he proceeds to describe it in rather exuberant language and does not hesitate to entitle his chapter on the period "The Birth of Large-Scale Industry."

We know that the 1880s did not bring with them the big spurt of Italy's industrial development. For that the country had to wait another fifteen years, and the view seems defensible that the "big spurt" was not as big as it might have been, precisely because it had been delayed. Why, then, did the upswing of the 1880s fail to grow into the characteristic initial upsurge of industrialization? There are many possible answers, and agricultural distress may be one of them. But Romeo himself suggests that "the function of the crisis was to accelerate capital investment in industry."⁴⁷ We have seen elsewhere most impressive industrial spurts in very backward agricultural countries in conditions of agricultural depression, and Russia of the late 1880s and early 1890s provides the clearest case in point. The problem, as always, is one of compensations and substitutions. It would seem, therefore, that one of the possible solutions must be sought in the very material utilized by Romeo.

Romeo, of course, is at liberty to call "original accumulation" the process of extracting through taxes portions of the landowners' *current* income and investing them *currently* in infrastructures. But his doing so should not make us forget the other, and perhaps more basic, concept of original accumulation that can be distilled out of Marx's intuitions. That concept, although quite operational in principle, is

⁴⁶ *ReC*, p. 188.

⁴⁷ *ReC*, p. 175.

more difficult to follow through statistically, as are all processes involving forced savings. But it would seem that at least an important presumption has been well established which must not be obscured by any conceptual redefinitions. The presumption that in Italy there was no sufficient previous long-term accumulation of wealth in *appropriate* hands which at a propitious moment — that is, discontinuously — could be made available to industrial entrepreneurs is fundamental to the understanding of Italy's economic situation at the time. This is not an Italian peculiarity; the situation resembled that in other countries which also were slow to begin their industrialization. But what it means is that the great cognitive value of the basic concept of original accumulation very often is negative. In this case it lies in ascertaining that it was not applicable to Italian conditions. Accordingly, Italian industrial development, if it was to take place at all, was bound to utilize some substitutes for original accumulation — to find some other ways of deflecting sufficiently large segments of national income into investment. By preserving the name of original accumulation for the process he describes, Romeo tends to blur the fact that it is precisely a *substitute* for the original accumulation of capital. As shown before, what emerges clearly from the data is the quantitative weakness of the substitute that was used. A big spurt requires a big effort: either the state or some financial institutions or both must be willing to make it.

It is the feeling of the present writer that Romeo on the whole fails to appreciate how woefully inadequate or misdirected was the policy of the Italian government and that of the pertinent banks before the nineties. In particular, it is difficult to accept his approval of the government's policy with regard to steel. His view that the Italian engineering industry could not have developed without domestic steel production is a most questionable assertion. Facts and reason both point in the opposite direction. The creation of the expensive and inefficient steel industry retarded the rise of the Italian machinery industry, and the argument that the latter could be left with inadequate tariff protection because machinery industry was better suited to Italian conditions seems to misread the purpose and the meaning of a rational policy.⁴⁸ Unfortunately, Romeo is

⁴⁸ ReC, pp. 194-195.

only too right when he refers to the influence exercised by the powerful state-nursed steel industry on Italian tariff policy.⁴⁹ Nor is Romeo convincing in his attempts to justify the promotion of the cotton industry and even the protection of grains. One can believe that in Italian conditions a great deal of state intervention would have been in order, and in fact most desirable, and still feel that perfect inactivity of the government in economic affairs might have been more beneficial than what actually took place. It does seem that Romeo has allowed himself to be unduly propelled by the mechanics, or rather the ethics, of his own model. It will not do to regard anything and everything that was done at the time as a blessing for Italian industry; or to be carried away to the point of equally praising as a spur to industrial development both the maintenance of the *corso forzoso* (exchange control) and its abolition.⁵⁰ Nor is it helpful to extend complacency to a point where the predominance of small enterprises in the Italian industry is explained and justified by the process of formation of the labor force and the training of skilled labor.⁵¹ If the industrial history of the nineteenth century teaches us anything at all, it is the crucial importance of bigness of enterprise and plant in the big industrial spurt of a backward country. It is precisely within large plants that it has proved possible to economize and to use most efficiently the available skills by substituting both machinery and organizational innovations for qualified labor. It is the large plants and enterprises that can compensate the backward country for its manifold disabilities and obstacles to economic development. But to launch and maintain such enterprises would have required a supply of capital on a scale which neither the Italian government nor the Italian banks of the time would provide. It is hard to see how Romeo can refer to the 1880s as a period of inflationary pressures and considerable forced savings,⁵² if one considers that during those years prices were either stable or falling.⁵³ It is perfectly true, as Romeo says, that the banks were not yet adjusted

⁴⁹ ReC, p. 184.

⁵⁰ ReC, p. 191.

⁵¹ ReC, p. 191.

⁵² ReC, p. 178.

⁵³ SNRI, p. 251.

to the support of rapid industrial development.⁵⁴ It follows that to have a big spurt of industrialization the state would have had to substitute for the appropriate banking facilities and do so on the requisite scale. This, however, did not happen. As a result, an important historical opportunity was missed, and an industrial upswing that would have been propelled and sustained by the still-continuing needs to create the infrastructure did not materialize.

To a large extent, then, what separates the present writer from Romeo's position is a problem of interpretation of the results yielded by his model. But nothing that has been said in the preceding pages can possibly detract from the cognitive value of the model itself. It represents an original and imaginative attempt to organize in operational terms and to see in its organic interrelation a significant stretch of Italian economic development. Surely this is the way to approach modern economic history, and one can only hope that Romeo will continue his explorations along the path upon which he has entered so auspiciously.

⁵⁴ *ReG*, p. 161.

*Russia: Patterns and Problems of
Economic Development, 1861-1958*

THE emancipation of the peasantry stands at the threshold of the period under review. The question of whether, on the eve of the reform, the system of serfdom was disintegrating for economic reasons or whether its vitality and viability were still essentially unimpaired has been the subject of much controversy. But even those who, like the present writer, tend toward the latter view must admit that the development of the nonagrarian sectors of the economy was virtually premised upon the abolition of serfdom.

To say this, however, does not at all imply that promotion of economic development was a paramount objective of the emancipation. As was true of most of the agrarian reforms in nineteenth-century Europe, the authors of the Russian reform either considered industrialization undesirable or, at best, were indifferent to it. The actual procedures chosen reflected these attitudes. In many ways they were bound to hamper rather than facilitate economic growth. The emancipation involved, first of all, a determination of the land area to be given over by the landowner to the peasants for permanent use. There is no question that over wide parts of the country (and particularly in the black-earth belt) the peasants received a good deal less land than had been customarily assigned to them before the reform. Second, there was the question of the magnitude of the quitrents (*obrok*) to be paid by the peasants as compensation for land allotments. It is true that, once those rents were set, subsequent

acquisition of land by the peasants (the so-called redemption procedure, by which the right of use was changed to the right of ownership) was rendered very easy and as often as not did not entail any additional burdens upon the peasantry. But the original rents were set far above the contemporaneous market prices of the land. The example of the immediately preceding agrarian reform in Europe — that of Austria in 1848 — where peasants' obligations were mostly determined on the basis of "equity," or cadastral values (much *below* their market prices), was not followed in Russia.

It might be argued that the two features of the Russian reform just mentioned should have provided a favorable climate for subsequent industrialization; the inadequacy of the peasants' landholdings in conjunction with the considerable financial obligations imposed upon their households could have been expected to favor the flight from the countryside and thus to provide a large reservoir of labor supply to the nascent industry. Such might have been the consequences indeed, if the reform and the later legislative measures had not erected considerable barriers to land flight by strengthening the *obshchina*, the village commune, wherever it existed.

An English yeoman who found the cost of enclosing the land excessive could sell his farm and use the funds so obtained for business ventures outside agriculture or, at worst, for covering his transfer cost. A Russian peasant who wished to leave the village commune not only had to relinquish his rights in the land, but in addition had to pay, under the terms of the redemption procedures, what often were very sizable sums before he could receive his release. A member of the household wishing to leave the village permanently also had to secure the consent of the head of the household. Where the periodic repartitions of land by the village commune were conducted on the basis of manpower at the disposal of the household, permanent departure of a family member was bound to reduce the extent of land to be made available to the household at the next repartition. In conditions of relative scarcity of land, the willingness of the head of the household to permit such departures could not be, and in general never was, very great. Nothing was more revealing of the irrational way in which the village commune functioned than the fact that the individual household had to retain the abundant factor

(labor) as a precondition for obtaining the scarce factor (land). On the other hand, the readiness of the member of the household to sever for good his connection with the land and become firmly committed to nonagricultural pursuits naturally was adversely affected by these arrangements.

It is often claimed that the Russian emancipation procedure followed the "Prussian model." It seems that Lenin was the first to give currency to the thought. The analogy is hardly felicitous. The outstanding feature of the Russian reform was that, instead of a class of landless laborers, it had firmly established the landowning peasantry and had taken special precautions to keep the peasants attached to their land. To be sure, this was done *inter alia* in order to satisfy the gentry's need for cheap labor. But here again the similarity with the Prussian reform is rather superficial and deceptive. Unlike the Prussian Junkers, the Russian gentry seldom showed much interest in technological innovations on their estates. The traditions of serfdom may partly account for that. Under these circumstances, the cheap labor assured the estates by the Reform Act may have been a very undesirable gift, inasmuch as it discouraged them from introducing those improvements in the mode of cultivation which tended to have labor-saving effects and to increase the capital intensity of agricultural output.

While permanent migration to the city was made difficult, temporary moves on the part of the members of peasant households were much less so. Yet even in such cases the permissive rights vested in the heads of the village administration and the heads of the household created various opportunities for impounding some portion of the earnings made in the city. The right to demand and enforce the return to the village of the departed member certainly left much room for pressures and extortions of all kinds. If it is considered that age-long tradition and inveterate inertia would have hindered migration to industry in any circumstances, the Russian government by assigning to the *obshchina* and the *mir* such a strong role in the emancipation procedure and in the life of the post-emancipation village had created a considerable obstacle to the formation of a permanent industrial labor force in Russia.

If the double pressure to which the peasant economy was

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exposed — the inadequacy of land and the magnitude of the financial burdens — was prevented from causing a steady and considerable migration from the land, then that pressure itself was bound to assume the role of a retarding factor in the economic evolution of the country. The peasant economy was unable to increase its productivity because its income after taxation and redemption payments did not permit sufficient investment; at times the low level of income even led to capital depletion. In addition, the prospect of repartitions militated against land improvements, even if and where they were financially possible; and the egalitarian nature of such repartitions prevented consolidation of landholdings assigned to individual households and precluded changes in cultivation methods and crop-rotation systems even where ignorance and inertia of the peasantry did not constitute an effective obstacle to such improvements.

In the long run, the scarcity of land available to the peasants in conjunction with the increase in population implied a steady deterioration in the economic position of the peasantry, despite purchases by village communes and individual peasants of gentry land and despite the formation, in the 1880s, of special institutions designed to finance such transactions.

It is true that the position of state peasants was more favorable than that of the former serfs in that their land allotments were somewhat larger and their financial burdens somewhat lighter, the so-called imperial peasants were in between the two groups. Yet these differences, particularly in the longer run, were not sufficiently large to warrant a different appraisal of the state and imperial peasantry. They too experienced the restrictive effects of the village commune, and the economic development of their farms also was restrained by the action of the government whose deliberate policy it was to bring their burdens in line with those imposed upon the former serfs.

It should be added that it would be a mistake to interpret the secular rise in land prices which characterized the period between the emancipation and the First World War as providing relief to the peasantry in the sense of reducing the real burden of their obligations. Over large areas of Europe, market values of peasant land tended to be a good deal above the capitalized yield values. But

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in Russia that tendency was particularly strong. Land values moved upward even when prices of agricultural products were falling. The land hunger of the peasantry, stimulated by population growth, largely accounted for this discrepancy. Thus, the rise in land values, far from relieving the peasant economy, was an expression of its precarious position.

There is little doubt that the inhibitions upon the growth of output of the peasant economy and the consequent limitations upon the peasants' purchasing power for industrial products were a serious obstacle to the industrialization of the country. They made it improbable from the outset that peasant demand for industrial goods could exercise a strong pull on industrial growth. This was clearly seen by a large number of populist writers. Their conclusion was that industrial development in Russia was unlikely to start and, if started, was bound to founder in the shallowness of the "internal market."

This prospect left the populists undismayed because of their aversion to industrialization and their fears of its social consequences. Yet the predictions did not come true. By 1914, Russia had taken very long strides along the road of industrial development. What had vitiated the populists' predictions was their failure to see the manifold flexibilities and adjustabilities which are inherent in processes of economic development. The growing purchasing power of the peasant economy can indeed be important as a motive of industrialization. Yet it is but one among a number of possible alternatives.

Economic development in a backward country such as Russia can be viewed as a series of attempts to find — or to create — substitutes for those factors which in more advanced countries had substantially facilitated economic development, but which were lacking in conditions of Russian backwardness. Such substitutions are the key to an understanding of the way in which the original disabilities were overcome and a process of sustained industrial growth was started. It is these acts of substitution that came to determine the specific pattern of industrial development in Russia.

But the process of industrialization is also a process of diminishing backwardness. In its course, factors that were lacking formerly tend to become evident and acquire increasing importance within the body economic. What was once in vain looked for to serve as a

"prerequisite" or a "cause" of industrial development comes into being as its effect. It is a fascinating pursuit in the history of modern industrialization to see to what extent the original substitutes were thereby rendered obsolete and disappeared after having fulfilled their function; and to what extent they were preserved and continued to dominate the pattern of development in its subsequent stages, even though the special need for them no longer existed.

The present assignment requires this writer to supply, within the scope of a few pages, a background chapter on the last hundred years of Russian economic history — a period of unprecedented economic change. Obviously, no more can be done than to select for discussion some significant aspects of that change. Perhaps the processes touched upon in the preceding paragraph may serve this purpose.

Over long stretches of the period under review, in manifold ways, in ever-changing forms, and at different levels, innovation and anachronism seem to coalesce and to separate, to follow and to displace each other. The remainder of this essay will be devoted to an attempt to see the peculiarities of Russian industrialization in terms of these relationships.

I

The big spurt of Russian industrialization in the prerevolutionary period largely coincided with the decade of the 1890s. Thus, almost thirty years had passed over the land before the great effort could come about. This is not surprising. The peasant reform would have had to be very different if a direct and immediate impact upon industrial growth could have been expected from it. Moreover, even if the reform had been deliberately designed to favor industrialization rather than to obstruct it, a certain preparatory period of slow growth was almost inevitable. The judicial and administrative reforms which came in the wake of the emancipation were essential in creating a framework for modern business activity. But other changes, at least equally significant, were much slower in coming. Certainly a radical improvement in communications was crucial. One does not have to conjure up the dramatic and pathetic vision of a huge boiler being dragged by teams of oxen through the deep mud of the Ukrainian

steppes on its way to the construction site of the first blast furnace in the Donbas in order to understand that some railroad building had to antedate the period of rapid industrialization. Railroads were indispensable to sustain a level of exports consonant with the needs of an industrializing economy. Railroad materials had to be imported from abroad, which in turn meant pursuit of a liberal foreign-trade policy with only a modicum of encouragement to domestic industry. Besides, a period of rapid growth does not materialize overnight simply because an institutional barrier to industrialization has disappeared. Such a period requires a simultaneous development of complementary efforts in many directions. The component elements of growth in the individual industrial branches must be adjusted to each other, and only when a number of such "development blocks," to use Erik Dahmén's felicitous phrase, has been created is the stage set for the initiation of the great spurt.

There is little doubt that the decades following the emancipation can be conceived as such a period of preparation. And yet it is only in retrospect that they can be so viewed. The deficiency of the internal market, so untiringly stressed by the populist writers, might have postponed the period of rapid growth until a far and indefinite future. The strategic factor in the great industrial upsurge of the 1890s must be seen in the changed policy of the government. The fear of industrialization, so much in evidence in the 1860s, was gone. Industrial development became an accepted and in fact the central goal. Once this happened, the problem of peasant demand lost its previous significance, and its relation to industrialization was thoroughly reversed. It was as though a rotating stage had moved, revealing an entirely new scene. The growth of peasant demand for industrial goods no longer was a prerequisite of successful industrialization. On the contrary, its curtailment became the objective. To reduce peasant consumption meant increasing the share of national output available for investment. It meant increased exports, stability of the currency, chances for larger and cheaper loans from abroad, and the availability of foreign exchange needed to service foreign loans.

The Russian state under Vyshnegradski and Witte put the peasantry under very considerable fiscal pressure. It left the agricultural economy of the country to its own devices, satisfied that conver-

sion of pastures into grain lands and some modest rise in productivity on those estates which were cultivated as such rather than leased to the peasants were sufficient to support the process of industrialization. The population of course was growing rapidly. In the closing years of the 1890s, Russian agriculture produced less breadgrains per capita of the population than had been the case three decades earlier. If the increased exports are taken into consideration, the domestic availabilities were still smaller. A central principle of governmental policy was to impound a larger share of the peasants' output rather than to take active steps to raise that output.

Thus, the government's budgetary policy was effectively *substituted* for the deficient internal market. The continuation of railroad construction on a large scale throughout the 1890s provided the government with convenient machinery for the maintenance of demand for industrial products. At the same time, in multifarious ways the government either supplied investment funds to industry directly or encouraged and facilitated investment in industry. Government action took the place of what in other countries was achieved through the pull of a growing free market, or through forced savings generated either by credit creation or by the impact upon current income of previously accumulated claims.

Those, however, were not the only processes of substitution that were taking place during the period. The Russian government, far from favoring all branches of industrial endeavor indiscriminately, concentrated its primary attention on the output of the iron and steel and the machinery industries. The strategic interest in railroads and general political considerations certainly prompted the government in that direction. But, as may be deduced from comparisons with other countries, this cannot be more than a part of the story. In a sense, this concentration upon certain branches of industry also was an emanation of substitutive processes.

Russia on the eve of its great industrial spurt suffered from many disabilities. Its entrepreneurs were far too few; their time horizon was often limited, their commercial customs backward, and their standards of honesty none too high. The influx of labor to industry was inadequate because of the institutional framework that had been imposed upon agriculture. Such labor as was available was uneducated,

restless and fitful in its habits, often trying to submerge the sense of frustration and loneliness in alcoholic excesses with consequent absenteeism, low productivity, and rebellion against the rules of factory discipline. One of the few advantages that Russia, as many other backward countries in similar conditions, possessed was the possibility of borrowing technology from more advanced and more experienced industrial countries. In this field alone, Russia could equal, if not excel, them. It could concentrate on modern technology so that its factory equipment, though much smaller in the aggregate, could be much more up-to-date in its average composition. But the introduction on a large scale of technology from advanced countries, by its very nature, also meant a substitution of capital for labor. Far from being irrational in conditions of a backward country, it was the modern Western technology which enabled the Russian entrepreneurs to overcome the disability of an inadequate labor supply and very frequently also the inferior quality of that labor.

This is not to say that lack of suitable industrial labor in itself was not a hindrance to Russian industrialization. Introduction of a labor-saving process may mean lower cost per unit of the product; and still the entrepreneur may find the resulting saving insufficient to justify the effort of plant reorganization and modernization. His decision may be positive only if he feels that cost reductions will lead to a great expansion of output, thus increasing total profits very considerably. But a sizable expansion of output, even though the innovation is labor-saving, will require a large increase in the labor force; accordingly, the decision may still fall against the innovation, unless the needed labor is expected to come forth without too great a rise in wage rates. The point, therefore, is not that the difficulties which Russia experienced with the formation of an industrial proletariat were not a bothersome obstacle. The point rather is that the assurance of government demand for a considerable portion of the growing output in conjunction with the introduction of modern technology created a situation in which the quantitative and qualitative inadequacy of the labor supply could be neutralized to an extent that still permitted a relatively high rate of industrial growth.

A historian of the period cannot fail to be impressed by two aspects of this process of assimilation of foreign technology. It may

be taken for granted that, throughout the nineteenth century, technology tended to become more and more labor-saving. This was true of the individual industrial branches, and even more so of industrial economies as a whole, because of the increasing share of those industries where technological progress led to particularly rapid increases in the capital-labor ratios. It is true of course that, broadly speaking, Russian entrepreneurs had to accept Western technology as it was. But if they had wanted to keep down the capital-labor ratios, they might well have tried to obtain secondhand equipment built in earlier phases of Western industrialization. The least they could do was to import technology from those countries where technological progress had been less rapid. In fact, the opposite was true. During the great spurt of the nineties, it was no longer the English technology but the more progressive German technology that came to dominate Russian imports; and increasingly the eyes of engineers and factory managers turned toward the United States whence even more capital-intensive equipment was brought into the country. Thus alternatives were available, and there is no reason to assume that the choices made were not the rational ones.

On the other hand, it would be wrong to see the process of technological acquisition as one of mere imitation. True, in the last decade of the nineteenth century, the Russians had as yet very little opportunity for producing equipment which combined certain features of, say, American and German machinery (as began to happen several decades later). But they exercised discretion in the processes that were modernized and those that were left unchanged, often within the same plant. While the Russian blast furnaces were rapidly becoming bigger and technically more advanced, the processes of introducing the charge into the furnaces remained untouched by this development and workers equipped with wheelbarrows still carried out the job. Where industrial work was similar to that used in agriculture and capable of being performed by an unskilled and fluctuating labor force, it was allowed to continue to do so.

Finally, there is the problem of bigness. Bigness, in a broad sense, is of course inherent in the concept of a great spurt. But the industrialization in Russia, as in so many other backward countries in the last century, was also characterized by bigness of both individual plant and individual enterprise. There were many reasons for this.

For one, the technology of the nineteenth century typically favored large plants, and to accept the most advanced technology also meant accepting larger and larger plants. The state in its promotion of industrial establishments, for good and not so good reasons, showed remarkably little interest in small businesses. Large enterprises were a much more lucrative source of graft; and the corruption of the bureaucracy tended to reinforce a tendency that was already present for weighty economic reasons. Similarly, the Russian government did little to check the strong cartelization movement within industry that acquired momentum after the great spurt of the nineties. But what is of interest here is that the bigness of plant and enterprise must also be viewed as a specific substitution process. The lack of managerial and entrepreneurial personnel was compensated for by a scale of plant which made it possible to spread the thin layer of available talent over a large part of the industrial economy.

What were the results and the aftermath of these developments? In purely quantitative terms, in terms of growth of industrial output, the spurt was truly a great one. The average annual rate of industrial growth during the nineties was around 8 percent, and it was even better than that in the last years of the decade. None of the major countries in Western Europe had experienced a comparably high rate of change. The very rapidity of the transformation, however, made for maladjustments of various kinds. The discrepancy between the advancing industrial segment of the economy and the relatively stagnant agricultural segment was perhaps the most crucial among those lags and tensions. But others were by no means unimportant.

The specific processes of substitution tended to reinforce the heterogeneous character of the resulting economic structure. Contrasts between the new and the old appeared within the industrial group itself and within the individual plants and enterprises. Technology as a strategic factor in the industrial spurt implied modernization of some industrial branches and not of others. Within an industrial plant age-old processes based on tools used in the construction of the Pyramids were carried on side by side with methods representing the last word of the inventive genius of the nineteenth century. This inevitably was reflected in human contrasts within the labor force.

But the contrasts obviously transcended labor; they extended into the managerial group. The technical director, as the chief en-

gineer frequently was called in a Russian factory, may have been indistinguishable from his Western counterpart. The commercial manager or the entrepreneur as likely as not was a much more complex phenomenon. He was able to understand and willing to exploit the economic advantages of the new technology, but at the same time he carried on attitudes and displayed forms of behavior which differed little, if at all, from those of preindustrial entrepreneurs in Russia. This was true of his relations to consumers, suppliers, credit institutions, and competitors. In addition, his relations with the governmental bureaucracy called for special, often very devious, actions. He had to be a different man in his way of dealing with a German firm which supplied his business firm with machinery and know-how and in dealing with an official in the Ministry of Finance whence he obtained both subsidies and orders for deliveries. The great spurt in conditions of Russian backwardness could not fail to give rise to manifold stresses, tensions, and incongruities. Sociological research which would view those tensions against the economic background of the mechanics of backwardness should discover a rich field for empirical findings and analytical comprehension.

All these disparities, created almost inevitably in the course of the great spurt, can be seen as problems for the phase of Russian industrial development that followed. However, overriding all of them in importance was the problem which the emancipation of the peasantry did not solve and the gravity of which was enhanced precisely by the policy of rapid industrialization. Industrialization required political stability, but industrialization, the cost of which was largely defrayed by the peasantry, was in itself a threat to political stability and hence to the continuation of the policy of industrialization. The immediate effect of the basic substitution of the government's budgetary policies for the deficiency of the internal market was growth of industrial output. In the longer run, the effects were more complex.

II

What happened in Russia in the nineties of the last century was the great upsurge of modern industrialization. Nevertheless, certain aspects of it were not modern at all. Several times before in

the course of Russian history, economic development followed a curious pattern: the military interests of the government to bring about a rapid spurt of economic growth. In this process, heavy burdens were imposed upon the peasant population of the country, the enslavement of the Russian peasantry having been inextricably connected with the policies of economic development. So great were the burdens, and so heavy the pressure, that after a number of years the spurt tended to peter out, leaving an exhausted population to recover slowly from the stress and the strain that had been imposed upon it.

There is little doubt that military considerations had a good deal to do with the Russian government's conversion to a policy of rapid industrialization. True, no immediate military discomfiture preceded the initiation of the new policy. But the war of 1877 against the Turks was won on the battlefields in the Danube Valley and the Balkan Mountains, only to be lost in Berlin against the British and probably the Germans as well. In the course of the Berlin congress, particularly during its dramatic moments, the Russian government had much opportunity and reason to reflect that it was not much better prepared for any military conflict with a Western power than it had been a quarter of a century earlier on the eve of the Crimean War. In the short run, Russian reaction consisted in shifting the direction of its expansionist policy away from Europe to Central Asia and the Far East. Taking a somewhat longer view and further prompted by the formation of military alliances in Central Europe, the government turned toward the goal of a drastic increase in the economic potential of the country.

In the 1890s, a renewed enslavement of the peasantry was, of course, not in the realm of practical politics. Nor was there any need for such a measure. The reforms of rural administration which had been introduced with the advent of reaction under Alexander III gave the central bureaucracy sufficient tax-exacting power over the peasantry; at least for some time it was possible to keep the peasantry in a state of docile compliance. The joint responsibility of the village commune for tax payments was helpful, though far from indispensable. The considerable shift to indirect taxation further increased the government's ability to pay for the industrialization in conditions

of a relative price and currency stability. The fiscal policy of the government was able to perform the function which at an earlier age had been performed by the institution of serfdom.

The great spurt of the 1890s came to an end in 1900. The depression of that year was variously interpreted as an overproduction crisis, a financial crash, or a response to economic setbacks abroad, particularly in Central Europe. It is fairly clear, however, that below the surface phenomena lay the exhaustion of the tax-paying powers of the rural population. The patience of the peasantry was at its end. The following years were characterized by growing unrest in the villages until the folly of the war with Japan fanned the isolated fires into the flame of a widespread peasant rebellion during the 1905 Revolution. All this was very much like the consummation of the traditional pattern of Russian economic development: a quick upsurge compressed within a relatively short period and ending in years of stagnation. But there was a great deal more to the industrial spurt of the 1890s than simply a repetition of previous sequences of economic development. It would seem more plausible to view those similarities as the last emanations in prerevolutionary Russia of the traditional pattern. For the differences were fully as important as the similarities. Also, in this broad sense, the new and the old appeared curiously commingled. Along with the resurrection of a specifically Russian past, there was also the assimilation of Russian economic development into a graduated but still general pattern of European industrialization.

Two, and perhaps three, factors stand out in distinguishing the upswing of the 1890s from similar episodes in the more remote past. One of them has just been mentioned. During the decade of the 1890s, the Russian government abstained from introducing for the sake of the industrialization any far-reaching institutional change which, while aiding the process in the short run, would have become a serious obstacle to its continuation in the long run. Neither the institution of the *zemskii nachal'nik* nor the additional steps taken in the 1890s to preserve and protect the village commune could of course compare in any way with the enservment of the peasantry. That a government firmly committed to the policy of industrialization went out of its way to safeguard the obshchina seemed paradoxical. But,

apart from the fiscal value of the arrangement, it was felt that its existence contributed to political stability within the country. Neither reason was persuasive. Satisfactory substitutes for joint responsibility for tax payments could easily have been found; and the events of the subsequent years showed clearly that the village commune nursed rebellious rather than conservative sentiments. The abolition of the commune still remained a problem of industrial policies in Russia, but it was one which antedated the period of rapid industrialization.

The other factor was positive. Modern industrializations based on the creation of fixed capital of considerable durability are not followed by periods of protracted stagnation as easily as are earlier, much more labor-intensive spurts of economic development ("stagnation" of course is to be understood simply in terms of a very low or even negative rate of growth). The recuperative power of a capital-intensive economy is greatly superior to that of its historical predecessors. And, finally, a modern industrialization is characterized also by a more substantial investment in human capital. In particular, it tends to bring about, over a relatively short period, a considerable change in entrepreneurial and managerial attitudes as well as, though to a lesser extent, in those of skilled labor. All this means that the effects of Russia's great spurt reached out strongly into the future; that the process of industrialization could be resumed at diminished *faux frais* and in a form more efficient and less dependent upon the support of the state.

Such were the characteristic features of Russian industrial growth in the years between the 1905 Revolution and the outbreak of World War I. This, too, was a period of rather rapid growth (some 6 percent per year), even though the rate of change remained below that of the 1890s. During those years industrialization could no longer be the primary concern of the government. War and revolution had greatly strained budgetary capabilities. The redemption payments (as well as the institution of joint responsibility) had disappeared under the impact of the revolution. Kokovtsev, first as Minister of Finance and later as head of the Cabinet, pursued a cautious policy of thrift. Railroad building continued, but on a much reduced scale. The execution of such armament plans as were conceived was being postponed from year to year. In the eighteenth century, the death of Peter the

Great and the withdrawal of the state from an active economic policy spelled the doom of the contemporaneous economic development. But in Russia of the twentieth century, Count Witte's fall and the abandonment of his policies did not prevent a renewed outburst of industrial activity.

Nothing underscores more clearly the changed attitude of the government than the fact that its most important action in the field of economic policy was Stolypin's legislation against the *obshchina*. In a radical reversal of the agrarian policies pursued only a few years earlier, Stolypin's reforms of 1906 and 1910 made it possible for the peasants to sever their connection with the *obshchina* through a simple and advantageous procedure, permitting them to acquire personal ownership of the land and in the process often to swap the numerous strips of their former allotment for a single consolidated holding.

There is no question that many aspects of the reform were harsh and unfair to the less prosperous members of the village communes. There is also every evidence that the government's about-face was caused by political considerations, that is to say, by the impressive lesson learned from peasant uprisings during the preceding revolution. The consequences of the reform for the process of industrial development were accidental from the government's point of view, despite some liberal phraseology ("liberal" in the European sense of the term) used in defending the reforms.

Nevertheless, the potential positive effects of the reform on industrial development were indisputable. The authors of the reform, despite considerable opposition within the government, refused to accept the concept of family or household ownership; the ownership of peasants leaving the village commune was vested in the head of the household. For the first time, the road was open for an unimpaired movement to the city of peasant family members; for the first time, large groups of Russian peasants could, like their counterparts in the West, sell the land and use the proceeds for establishing themselves outside agriculture. The war of 1914 necessarily cut short the implementation of the reform, but its initial effect was considerable. Those peasants who had felt that leaving the commune would enable them to increase the productivity of their farms and those peasants who had been anxious to leave the village both hastened to avail them-

selves of the separation procedure. It was a considerable step on the road of Russia's westernization.

And this is the aspect of the reform that is of primary importance here. The gravity of the economic stagnation that followed the reign of Peter the Great was compounded by the legacy of serfdom. The very modernization of the state machinery under Peter meant that the government was much better equipped to enforce the serfdom condition upon the peasant and to deal effectively with fugitives from serf status. At the same time, the territorial expansion of Russia kept reducing and making more remote the frontier regions which formerly had been the sanctuary of so many peasants in their flight from oppression. It was in these conditions that the edict granting the nobility and the gentry freedom from service obligations marked the acme of the state's retirement from active guidance of the country's economic life. That act finally severed the original connection between serfdom and economic development and sealed the perpetuation of serfdom as a main obstacle to economic progress. With regard to both its historical locus and its "liberalizing" character, the Imperial Edict of Peter III (1762) bears a certain resemblance to Stolypin's reform. Yet, despite these similarities, it is the difference between the two measures which may be taken as a gauge of the contrast in historical situations. The great spurt under Peter the Great had not led to sustained growth. The traditional pattern of Russian economic development was allowed to work itself out fully. By contrast, the withdrawal of the state after the upswing of the 1890s was marked by a measure which was designed to further rather than thwart industrial progress.

The westernization of Russian industrialization between 1906 and 1914 expressed itself in a large variety of ways. To use the previously adopted terminology, one could say that the pattern of substitutions was changing rapidly. To some extent banks stepped into the vacuum left by the state. In this way, credit-creation policies and some entrepreneurial guidance by the banks continued as substitutes for the scarcity of both capital and entrepreneurship in Russia. But this mode of substitution tended to approximate the pattern prevailing in Central Europe. The credit policies of the banks were still a substitute for an autonomous internal market, but there is little doubt that one

of the consequences of the industrial creations of the nineties was the gradual emergence of such a market.

It may be quite tempting to view again the change between the period under review and that of the 1890s in terms of Dahmén's dichotomy between development blocks in the state of full completion and development blocks in the beginning stage. The years 1906-1914 were characterized by the relative scarcities of coal, oil, and metals, in conjunction with the rapid forging ahead of metal-processing industries. There is a persistent and very much exaggerated tendency in current Russian historiography to present those scarcities as consequences of monopolistic policies in the basic-materials industries. It is probably more reasonable, still following Dahmén, to say that during the years preceding the First World War the structure of Russian industry was distinguished by specific disproportionalities and that once again, though on a much higher level, industry may have been passing through a period of dynamic preparation for another great spurt. Such a spurt, of course, never materialized. The point, however, is that considering the years 1906-1914 as a period of formation of new development blocks may help to explain why the rate of growth during those years was not higher than it was. It cannot explain the high growth that was actually attained in a situation where the outside aid to industry had manifestly declined to a fraction of its previous volume. It is more helpful, therefore, to regard this period as governed by the effects of diminished backwardness, and in this sense to view the whole stretch between the end of the 1880s and the outbreak of the war as consisting of two disparate and yet connected parts. The great spurt of the 1890s had prepared for the subsequent continuation of growth in changed conditions.

Many of the tensions and frictions that could be so strikingly observed during the 1890s reappeared in the second period, when at all, in a considerably modified and tempered form. There is no question that great progress had taken place with regard to entrepreneurial attitudes. Without such progress and, in particular, without the general rise in trustworthiness of Russian businessmen, the banks could never have come to play a powerful role as suppliers of long-term credit to industrial firms. The general modernization of entrepreneurial attitudes no doubt made the complex of actions and relations

of the individual entrepreneurs less heterogeneous. The decline in the importance of the government as an economic agent pointed in the same direction.

The years that had passed since the second half of the 1880s considerably increased the stock of permanent industrial labor in the country. At the same time, after 1905, more tangible improvements both in real wages and in working conditions became noticeable. The reduction in the importance of foreign engineers and foremen in factories and mines also tended to diminish friction. The great pressure upon the peasantry had subsided as well. In contrast to the last decades of the nineteenth century, the quantity of breadgrain available for domestic consumption rose faster than did the population. The industrialization between 1906 and 1914 no longer offers a picture of a race against time and of progressive exhaustion, physical and mental, of the population's power to suffer and endure.

Those elements of relaxation and "normalization" in the industrial process should not, however, disguise the fact that in other respects the great spurt of the 1890s, the industrial upsurge in conditions of extreme backwardness, still dominated the course of the development in the later period. The composition of the growing industries continued to favor the same branches. As before, the stress on bigness was characteristic of both the productive and the organizational structure. The movement toward cartelization, which was mentioned earlier, must be regarded as a part of this continued emphasis on bigness. As was true in countries west of Russia, the policies of the banks tended to accelerate the process. In this sense they were the true heirs to the policies previously pursued by the bureaucracy. And, like the latter, they tended to exaggerate and accelerate the process for both good and bad reasons. Interest in small enterprises would have strained the organizational and supervisory powers of the banks, just as it had proved unmanageable for the bureaucracy. Other reasons were less respectable. Just as many a civil servant had found opportunities for personal enrichment in his official connection with large enterprises, the banks, too, very often promoted increases in capital, mergers, and mediation of monopolistic agreements because they proved a considerable source of profit, even when not required by the process of growth. Still, when everything

is said and done, it was of utmost importance that the stress on large-scale business, the very essence of industrialization in conditions of backwardness and the basis for its successful implementation, could be preserved after the withdrawal of the state.

Russia before the First World War was still a relatively backward country by any quantitative criterion. The heavy weight of the agrarian sector of the economy and the low level of the national per-capita output placed it far below and behind neighboring Germany. Nevertheless, as far as the general pattern of its industrialization in the second period was concerned, Russia seemed to duplicate what had happened in Germany in the last decades of the nineteenth century. One might surmise that in the absence of the war Russia would have continued on the road of progressive westernization.

It is not entirely pointless to speculate on what might have happened in the course of such a development. Diminution of backwardness is a complex process. As has already been noted, certain paraphernalia of backwardness are shed fairly soon. Other elements are more resistant to change. Thus, the great school of industrialization tends to educate the entrepreneurs before it educates the workers; and it takes still longer before the influence of the industrial sector of the economy penetrates into the countryside and begins to affect the attitudes of the peasantry. In the latter respect, prerevolutionary Russia saw no more than the first modest traces of such an influence. Yet the likelihood that the transformation in agriculture would have gone on at an accelerated speed is very great.

In addition to the age-old attitudes which are more or less rapidly modified under the impact of economic development, there are specific institutional and economic factors which are created in the very process of industrialization, and which often appear strange and incomprehensible from the point of view of an advanced country. But they are the stuff that industrialization in backward areas is made of. Some of them disappear after they have fulfilled their mission, teleologically speaking. Thus did the Russian government leave the economic scene after the upswing of the 1890s. It is again extremely likely that the banks would not have been able to keep their ascendancy over Russian industry for very long. Diminishing scarcity of capital, further improvements in the quality of entrepreneurship, and

the sheer growth of industrial enterprises in all probability would have in due time enhanced the position of industrial firms to a point where they no longer needed the banks' guidance. That is what happened in Germany after 1900, and the natural course of events might well have moved Russian industry in the same direction. Even so, if the German example has predictive value, the banks would not have necessarily been transformed into the English type of commercial bank. They would have retained their interest in long-term investments, and in this sense the Russian economy would have remained characterized by a peculiarity created in the earlier stages of its development. Even more important, the stress on bigness, the specific composition of industrial output, and the significance of cartels and trusts within the industrial structure are likely to have increased rather than diminished over the years. One of the curious aspects of the European development was that the process of assimilation of backward countries to advanced countries was by no means a onesided affair. To some extent, as the degree of backwardness was reduced, the backward country tended to become more like the advanced country. Yet precisely because in the process of its industrialization the backward country had been forced to make use of very modern technological and economic instruments, in the long run it was the advanced country that in some respects assimilated its economy to that of the backward country. A comparison of the structure of, say, the German and the English economies in 1900 and some decades later would serve to illustrate this point.

Russian industrial development around the turn of the century was frequently decried as "artificial." Count Witte used to reject the accusation with considerable vehemence as meaningless and irrelevant. For what matters is both the degree and the direction of artificiality or spontaneity in the process seen over an appropriately long time. Taking into consideration the economic conditions that prevailed in Russia prior to its great spurt of industrialization, it is difficult to deny that the Russian development fitted well into the general pattern of European industrialization, conceived, as it properly should be, in terms of a graduated rather than a uniform pattern.

The only purpose in speculating about the probable course of Russian economic development as it might have been, if not inter-

rupted by war and revolution, is to try to cast more light on the general industrial trends that dominated the last period of industrialization in prerevolutionary Russia. Still the question remains whether war and revolution cannot be interpreted as the result of the preceding industrial development. Some Soviet historians certainly incline in that direction. If the Russian bourgeoisie could be saddled with the main responsibility for the outbreak of the war and if, in addition, it could be shown that in bringing about the war it had acted in response to the pressure of its economic interests — if, in short, the process of Russian industrialization carried in itself the seeds of the coming military conflict — then to abstract the war from the process in order to elucidate the course and prospects of Russian industrialization would mean to abstract the process as well. Some Russian manufacturers indeed may have welcomed the wartime orders for their products. Yet the precise mechanism through which such interests of the bourgeoisie were in fact translated into the decisions reached by the emperor and his government has remained altogether obscure.

The view just described seems to magnify the political significance of the Russian bourgeoisie out of all proportion and to substitute suppositions of various degrees of plausibility for historical evidence. It might be more persuasive to argue that the government saw a relatively short and victorious war as a chance to solidify the regime and to avert the danger of revolution. And the question then would be to what extent the preceding industrial development may be said to have been leading to another revolutionary cataclysm.

It is true, of course, that the social and political structure of the empire was shot through with manifold serious weaknesses. Opposition to the regime was nearly universal among the intelligentsia and certainly widespread among the industrial and mercantile groups. Since 1912, the year of the terrible massacre in the Lena goldfields, the strike movement of the workers was again gaining momentum. And at the bottom of the social edifice there was the old resentment of the peasants who had never accepted the rightfulness of the gentry's ownership rights over the land. The peasantry's land hunger was a steady source of ferment. The sentiment in the villages was no doubt further exacerbated by the blows struck against the village

commune and the threat of its dissolution. A new outbreak of revolutionary violence at some point was far from being altogether improbable.

And yet, as one compares the situation in the years before 1914 with that of the nineties, striking differences are obvious. In the earlier period, the very process of industrialization with its powerful confiscatory pressures upon the peasantry kept adding, year in and year out, to the feelings of resentment and discontent until the outbreak of large-scale disorders became almost inevitable. The industrial prosperity of the following period had no comparable effects, however. Modest as the improvements in the situation of the peasants were, they were undeniable and widely diffused. Those improvements followed rather than preceded a revolution and accordingly tended to contribute to a relaxation of tension. Stolypin's reforms certainly were an irritant, but after the initial upsurge their implementation was bound to proceed in a much more gradual fashion.

Similarly, the economic position of labor was clearly improving. In the resurgence of the strike movement economic problems seemed to predominate. It is true, of course, that in the specific conditions of the period any wage conflict tended to assume a political character because of the ready interventions of police and military forces on behalf of management. But this did not mean that the climate of opinion and emotion within the labor movement was becoming more revolutionary; as is shown by the history of European countries (such as Austria or Belgium), sharp political struggles marked the period of formation of labor movements that in actual fact, though not always in the language used, were committed to reform. There is little doubt that the Russian labor movement of those years was slowly turning toward revisionist and trade-unionist lines. As was true in the West, the struggles for general and equal franchise to the Duma and for a cabinet responsible to the Duma, which probably would have occurred sooner or later, may well have further accentuated this development. To repeat, I do not mean to deny that there was much political instability in the country. There clearly was. What matters here is that, from the point of view of the industrial development of the country, war, revolution, or the threat thereof may reasonably be seen as extraneous phenomena. In this sense, it seems

plausible to say that Russia on the eve of the war was well on the way toward a westernization or, perhaps more precisely, a Germanization of its industrial growth. The "old" in the Russian economic system was definitely giving way to the "new." It was left to the regime that finally emerged from the 1917 Revolution, generated in the misery of the war and the shame of defeats, to create a different set of novelties and to mix them with old ingredients of Russian economic history into the strange and powerful infusion of Soviet industrialism.

III

The 1917 Revolution redeemed the ancient hopes of the Russian peasantry by letting them seize the lands of the gentry. In addition, after the end of the Civil War, when the NEP compromise was put into operation, the peasants found themselves greatly relieved of obligations toward the state as compared with the prewar years. At length, the "internal market" of the populists seemed to have become a reality.

If the revolution had effected nothing else but a change in the position of the peasantry, one might perhaps have envisaged a slow but steady growth in agricultural output and a rate of growth in industry perhaps slightly exceeding that of agriculture, if for no other reason because of a sustained shift of many industrial activities from the farms to urban industries. The increased strength of peasant demand was bound to effect a change in the composition of Russian industry in the direction of greater stress upon "light" industries. Presumably, the rate of investment would have been lowered and the over-all rate of growth of industrial output slowed down thereby. It was apparently in these terms that Stalin, during the twenties, envisaged the course of the country's industrial development.

Yet, in addition to the new role of the peasantry, the revolution also established a dictatorial government controlling large-scale industry. Instead of asserting itself through a market mechanism, the peasant demand, if it was effectively to change the structure of relative prices and the composition of industry, had to be reflected in governmental decisions. These decisions, however, might or might not be the appropriate ones. During the NEP period, the problem expressed itself largely in the so-called scissors crisis: in the fact

that the government-dominated industry had insisted upon terms of trade that were unfavorable to agriculture. Nor was any shift toward greater stress on consumer-goods industries visible. If anything, toward the end of the NEP the share of heavy industries in total output was somewhat larger than before the war.

It is true that through most of the NEP period the high rate of industrial growth overshadowed the difficulties and prevented them from becoming overpowering. As long as the problem was to rebuild the prewar industry, largely using prewar equipment and prewar labor and technicians, the incremental capital-output ratios were very low and the rapid increases in the supply of consumers' goods kept discontent at bay. The situation was bound to change as the prewar capacity of Russian factories was being reached and further increases in output began to require much more sizable investment funds.

This, no doubt, was a crucial and critical moment in the economic history of Soviet Russia. The adjustment to a lower rate of industrial growth would have been difficult in any circumstances. In the specific Soviet conditions of the later twenties it was aggravated by political factors. To prevent too deep and too sudden a fall in the rate of industrial growth, either voluntary or politically enforced savings were necessary. But the savings of the peasant economy were small since, despite all improvements, the absolute levels of peasant incomes still were very low. To increase the rate of taxation carried the threat of resistance; and a rise in industrial prices charged to the peasants after the experience of the scissors crisis, when such prices had to be *lowered* in relation to farm prices, was hardly within the range of practical politics. The legacy of the NEP policies, with their low taxes, downward pressure upon the industrial terms of trade, and failure to provide in time for a shift in the composition of industrial output in favor of consumers' goods, expressed itself in a situation of inflationary pressures where too large a volume of purchasing power of the peasantry pressed upon too small a volume of available consumers' goods.

The internal market supported by the peasantry had been regarded for decades as the natural and spontaneous form of industrialization. After what has been said above, it may be doubtful

whether in conditions of still considerable backwardness the peasants' demand alone would have sustained any reasonable rate of increase in industrial output. Too low a rate of increase in demand may have proved insufficient to solve the problem of indivisibilities and complementarities inherent in the process of development. Without a strong flow of external economies (in the broad sense of the word), the nascent industrial enterprises might have found themselves burdened with costs of production that were too high for successful operation. Paradoxical as it may sound, industry might have been better able to satisfy a strong rather than a weak increase in demand.

The immediate problem, however, was different. The change in the economic position of the peasantry greatly increased the flexibility of Russian agriculture. In certain circumstances, higher outputs per farming household will lead to an increase in the peasants' demand for industrial goods — whether adequate or not from industry's point of view. In different and less favorable circumstances, the peasant economy can reduce the extent of its connections with outside markets by diverting cereals into converted products for its own consumption, and by assigning a larger portion of the land to fibrous crops for home spinning and weaving. For the Russian peasantry with its weak marketing tradition the escape into greater self-sufficiency suggested itself as an easy and natural response to the economic conditions which prevailed in the second half of the 1920s. As the marketings of grain began to fall off, the inevitable adjustment to a lower rate of industrial growth seemed to turn into the threat of a negative rate of growth, of deurbanization and agrarianization of the country.

The economic crisis that thus marked the end of the NEP period was at the same time a political crisis of first magnitude. Inability to maintain the food supplies to the cities and the growing resistance of the millions of peasants, strong in their intangible diffusion, seemed to spell the doom of the Soviet dictatorship. To be sure, a change in the political system of the country would not have in itself solved the economic problem. The inflationary pressures still would have called for a solution. It is possible that a government truly representing the peasants might have been able to raise taxes and by so doing to establish the equilibrium between rural purchasing power and the

volume of industrial consumers' goods available, at the same time reversing the declining trend in agricultural marketings. Such a government might have sought and found foreign credits and used the proceeds for importation of consumers' goods from abroad — thereby making the increases in taxation less unpalatable. The immediate problem might have been solved in this fashion, but the question of industrial growth would have been another matter. Barring further fundamental changes in the economic structure of the country, the conditions for resumption of industrial growth would seem to have been rather unfavorable.

In retrospect, the threat to the continuation in power of the Soviet regime appears blurred by the indubitable successes achieved subsequently. But it was real indeed. It was under the pressure of that threat that Stalin underwent a radical change of mind and embarked upon the gamble of the First Five Year Plan. Viewed as a short-run measure, the purpose of the First Five Year Plan was to break the disequilibrium through increase in consumer-goods output based on increase in plant capacity. It was a daring scheme if one considers that its coming to fruition presupposed a further, though temporary, deterioration in the situation as a result of deflecting a larger share of national income into investment and away from consumption. Again, in the best Russian tradition, it was to be a race against time. If the Soviet government could keep peasant resistance within bounds for the relatively short period of a few years, it might be able to offer sufficient quantities of consumers' goods to the peasants at terms of trade not too unfavorable to them, and thus it could eliminate the dangers and place the relations between village and city on a new and sounder basis.

Not unlike the Imperial government after the revolution of 1905, the Soviet government was keenly aware of the peasants' hostility to it. In a very similar fashion it was anxious to find or to create at least some points of support in the villages which might facilitate its task during the difficult years to come. Stolypin had gambled on the "strong and the sober," expecting the prosperous peasant outside the village commune to neutralize in some measure the antagonism of the majority. After certain adjustments, the collective farms were originally supposed to perform the same function. They were con

ceived as limited injections of communal vaccine into the individualistic climate of the villages. As long as the number of collective farms was kept small, it would be possible to provide them with sufficient state aid, so that membership in the collective farms would carry real advantages.

The plans, however, did not succeed; alternatively, they succeeded only too well. The resistance of the peasants proved much greater than had been expected. The peasantry which had emerged victorious from the revolution and the civil war was very different from the docile masses of the Imperial period. The bitter struggles that followed developed a logic of their own. In the course of the "revolution from above," as Stalin termed it and which more justly might be called a "counterrevolution from above," the original plans of the Soviet government were quickly rendered obsolete. The dogged defense by the peasants of the revolutionary land seizures evoked an all-out offensive by the government. The peasants went down in defeat and a complete, or nearly complete, collectivization was the result.

The collectivization supplied an unexpected solution to the besetting problem of disequilibrium, the actual starting point of the great change in Soviet economic policies. But it also affected profoundly the character of the government's plans with regard to industrialization. Once the peasantry had been successfully forced into the machinery of collective farms, once it became possible to extract a large share of agricultural output in the form of "compulsory deliveries" without bothering much about the *quid pro quo* in the form of industrial consumers' goods, the difficulties of the late twenties were overcome. The hands of the government were untied. There was no longer any reason to regard the First Five Year Plan as a self-contained brief period of rapid industrialization, and the purpose of the industrialization no longer was to relieve the shortage of consumers' goods. A program of perpetual industrialization through a series of five-year plans was now on the agenda. What was originally conceived of as a brief spell became the initial stage in a new great spurt of industrialization, the greatest and the longest in the history of the country's industrial development.

Any historical contemplation of Soviet industrial history must

begin with a description of the proximate chain of causations which connects the period of the NEP with that of superindustrialization under the five-year plans. Such a description brings out and explains the precise timing of the change that took place. The discussion must be in terms of the answers found by the Soviet government to the pressures and exigencies of a given situation. Yet to place the whole weight of emphasis upon those aspects of the evolution may not be sufficient. Other forces, perhaps less clearly visible, may have been at work determining the course of development and its outcome. Much of what happened at the turn of the third and fourth decades of the century was the product of that specific historical moment; but however great the change, and however drastic the momentary discontinuity in the process, the deep historical roots and its broad continuity must not elude the historian.

If Peter the Great had been called back to life and asked to take a good look at Russia, say, in the second half of the thirties, he might have had some initial difficulties because of changes in language and technology; he might have found the purge trials unnecessarily cumbersome and verbose; and he might have upbraided Stalin for the unmanly refusal to participate physically in the act of conveying the modern *Strel'tsy* from life to death. Yet it should not have taken him long to understand the essentials of the situation. For the resemblance between Soviet and Petrine Russia was striking indeed.

Nothing has been said so far about the role of foreign policy in molding Soviet economic decisions. Yet it must not be forgotten that the smashing defeat of the country by Germany stood at the very cradle of the Soviet regime. Foreign intervention in the Civil War, however halfhearted, certainly left memories that were long in fading. The 1920s witnessed a gradual improvement in Soviet diplomatic and commercial relations with foreign countries. But tensions were ever-recurring, and in 1927 there was much talk of military dangers in the course of the diplomatic conflict with England. Germany, despite the Russian aid to the *Reichswehr*, was still the military vacuum of Europe. After 1930, with the beginning disintegration of the Weimar Republic, both Russian fears and Russian ambitions were increasingly concentrated on Germany; until after Hitler's advent to power the ambitions were frustrated and the threat of a

military attack began to loom larger and larger each year. There is very little doubt that, as so often before, Russian industrialization in the Soviet period was a function of the country's foreign and military policies. If this is so, however, one might argue that there was more instability in the second half of the NEP period than that stemming from inflationary pressures alone. If, as has been indicated above, the continuation of NEP policies even after a successful removal of monetary disequilibria was unlikely to lead to a period of rapid industrialization, pressures for a revision of those policies might well have materialized in any case.

A resurrected Peter the Great would have found sufficient operational resemblance between Charles XII and Adolf Hitler; however much he might have preferred his civilized contemporary to the twentieth-century barbarian. Nor would the great transformation in rural Russia have caused him much trouble. He would have quickly recognized the functional resemblance between collectivization and the serfdom of his days, and he would have praised collectivization as the much more efficient and effective system to achieve the same goals — to feed gratis the nonagricultural segments of the economy and at the same time provide a flow of labor for the public works of the government, which the Soviet regime accomplished by the institution of special contracts between the factories and the collective farms. He would no doubt have acquiesced in the tremendous human cost of the collectivization struggles, once it had been explained to him that the quantitative difference between the Soviet period and his own time in this respect was largely the result of the colossal growth in population in the two intervening centuries. And while regretting the loss of animal draft power in Russian agriculture, he may have even understood that the reduction in cattle herds in the course of the "great slaughter" actually facilitated the task of industrialization inasmuch as the amount of calories per unit of land available for the feeding of the population was greatly increased as a result. Neither the formidable stress on technology in the earlier portions of the period of industrialization nor the resolute concentration upon heavy industries would have evoked the visitor's astonishment. True, at times Peter the Great was given to flights of fancy and attempted to launch in Russia production of Venetian mirrors

and French Gobelins, but the great line of his policy, so different from that of French mercantilism, was essentially devoted to the increase of the country's military power.

Thus a pattern of economic development which before the First World War seemed to have been relegated to the role of a historical museum piece was reenacted in Soviet Russia. The anachronistic — or rather parachronistic — character of the Soviet experiment in rapid industrialization did not, however, prevent it from attaining a very high measure of success. On the contrary, the combination of ancient measures of oppression with modern technology and organization proved immensely effective. All the advantages of industrialization in conditions of backwardness were utilized to the hilt: adoption of the fruits of Western technological progress and concentration on those branches of industrial activity where foreign technology had the most to offer; huge size of plant and the simultaneity of industrialization along a broad front assuring large flows of external economies.

To be sure, the tendency to exaggerate and overdo was ever-present. In many cases, smaller plant size would have been more rational. In addition, the very breadth of the effort kept creating and recreating bottlenecks; and the excessive bureaucratization of the economy absorbed an undue share of the available manpower. Yet when everything is said and done, the result in terms of growth of industrial output were unprecedented in the history of modern industrialization in Russia. True, the Soviet official index exaggerated the speed of growth. The rates of 20 and more percent a year that were claimed never materialized in reality. It is, however, now possible on the basis of the computations performed by American economists and statisticians to conclude that the average annual rate of industrial growth in Russia throughout the first ten years after the initiation of the First Five Year Plan was somewhere between 12 and 14 percent; the rate fell in the years immediately preceding the outbreak of the Second World War but rose again after 1945. Its high level was maintained far beyond the period of reconstruction from war damages. In the first half of the fifties, industrial output still kept increasing at some 13 percent a year. And it was only in the second half of the decade that the rate of growth began to decline, though

very gradually. One has only to compare these rates with the high rate attained under Witte in the nineties (8 percent) in order to gauge the magnitude of the Soviet industrialization effort.

The success of the Soviet experiment is frequently described as a proof of the efficiency of a "socialist" system. That is how the leaders of Soviet Russia like to refer to their achievements. On the other hand, there is a good deal of unwillingness to accept the fact of rapid growth of Soviet industry because of the prevailing assumption of the fundamental inefficiency of socialism. Much of it is a question of semantics. It is at the least doubtful, for instance, whether Stalin's Russia could be described as a socialist country in terms of Anatole France's definition of socialism: *Le socialisme c'est la bonté et la justice*. A historian has little reason to get enmeshed in these discussions since he may find himself discussing the problem of whether or not Peter the Great was a socialist. Nor is this the place to explain why in the opinion of the present writer Marxian ideology, or any socialist ideology for that matter, has had a very remote, if any, relation to the great industrial transformation engineered by the Soviet government.

What matters much more is the specific nature of the Soviet spurt and the economic mechanism which sustained it. The essential juxtaposition is between an approximate sixfold increase in the volume of industrial output, on the one hand, and, on the other, a level of real wages which in the early fifties was still substantially below that of 1928, with the peasants' real income probably registering an even greater decline in comparison to 1928. By holding down forcibly the consumption of the population and by letting the area of consumer-goods output take the brunt of errors and miscalculations that occurred in the process of planning, the Soviet government succeeded in channeling capital and human resources into capital formation, thus assuring the rapid growth of the only segment of the economy in which it was interested. The Soviet leaders have kept asserting, and the Soviet economists have kept repeating after them, that according to Marx the rate of growth of investment-goods output must necessarily be higher than that of consumer-goods output. The reference to Marx is hardly meaningful within the context of the Soviet economy, which has no specific marketing problems with regard to

consumers' goods. Nevertheless, the assertion is quite correct as a description of the actual policy pursued by the Soviet government, pursued not by force of economic necessity but by virtue of *political choice*. It means implicitly that, as the volume of output grows, so does the rate of investment in expanding output; in other words, a larger and larger portion of national output is allocated to the production of nonconsumable goods. It is these relationships that are the essence of Soviet industrial development. This has been the strategic lever that permitted the Soviet government to make use of every advantage of backwardness to a degree unknown to all its predecessors.

*Economic Development in Russian Intellectual
History of the Nineteenth Century*



THE assigned title of this essay promises much more than can possibly be redeemed by its contents. All that can be done here is to find some significant yardstick and try to apply it to selected portions of the material, in the hope that in this way an interesting problem might be posed for discussion. This, of course, is a highly arbitrary procedure, involving a number of decisions which should be made explicit.

First of all, what is Russian intellectual history? The concept is a vague one, but thus are we wont to translate what, in literal rendition, went in Russia under the alternative names (or misnomers) of "history of Russian intelligentsia" and "history of Russian social thought." Let us accept the term in this sense, but let us also be clear that by so doing we have implicitly decided to deal primarily with those Olympian figures who, in the parlance of the nineteenth century, provided the Russian intellectuals with "nourishment for heart and mind." It is indeed attractive to analyze the caloric content of that diet from a specific economic point of view and to try to see how much light, in addition to heat, was generated in the process. Yet it should be clear that thereby the accent is shifted away from those writers who, for one reason or another, remained excluded from the intelligentsia's pantheon, even though, on substantive grounds, those ordinary mortals may have acquired as strong or stronger claims to our attention. Were this an essay on Russian eco-

nomie development or Russian economic thought during the past century, such a distribution of emphasis would be patently inadequate. It seems justified within the framework of a conference devoted to Russian intellectual history. Even when so confined, the subject remains much too vast for treatment here. The intelligentsia's Olympus was even more populous than Homer's. How much of our attention can be devoted to its individual deities must needs depend on their importance for the problem at hand.

The problem at hand! It is to be conceived here as a confrontation between the actual flow of Russian economic history and the direction of Russia's economic development which our authors considered desirable, or likely, or even inevitable. This, no doubt, is a very narrow approach. Still, an evaluation of the closeness between thought and event, between idea and reality, may contribute in some measure to an appraisal of the degree of vitality that was encased in Russian intellectual history of the period. We shall begin, therefore, with a brief and necessarily schematic sketch of Russia's economic development and thereafter turn to a discussion of the relevant writings.

I

The period of Russian mercantilism, culminating in the policies of Peter the Great, had marked a period of relatively rapid industrial development. Viewed for Europe as a whole, it is difficult to conceive of mercantilistic policies as of an altogether consistent phenomenon. But Russian mercantilism with its close connection between power policies and economic development, its clear stress on industrialization and disregard for agriculture, and but a modicum of interest in consumer-goods industries proper is much more clearly discernible as a unified system of policy than are its Western counterparts. The reasons for that presumably lay first in the magnitude of the discrepancy between policies of the government on the one hand and levels of output and economic skills in the country on the other and, second, in the absence of both developed vested interests and theoretical thought. In other words, the backwardness of the country was primarily responsible for the character of Russian mercantilism. But at the same time it was the backwardness of the country that

accounted for still another difference between Russia and the West. Mercantilist policies in the West were pursued in an environment in which, by and large, serfdom either had disappeared or was in a state of disintegration. In Russia peasant serfdom became an essential wheel in the mechanism of mercantilist policies. When these policies came to an end, serfdom lost its connection with economic development of the country and emerged, more firmly established than ever, as the main force retarding the economic growth of the country.

The question of whether Russia under Catherine the Great was a backward country has been under discussion for more than four decades, and contemporary Soviet historiography tends to answer the question in the negative. It is less important for the purposes of the presentation that this view ignores matters like the near constancy of the city population over long decades of the eighteenth century, or the absence in Russia of skills and standards of commercial honesty comparable to those in the West, or the lack of wide markets for industrial products which, for instance, led to exports of a large fraction of the pig iron produced. What does matter is that in the last quarter of the eighteenth century England experienced a great upsurge in the rate of industrial growth, that postrevolutionary France went through a period of rapid industrial development, even though the speed of that development could not be sustained after 1815. At the same time, the territorial spread of serfdom under Catherine, the rapid deterioration of the serfs' juridical position, and the government's withdrawal from mercantilist policies not only perpetuated serfdom, but also imparted to it an extent and a severity which it had not possessed before. Whatever the actual degree of economic backwardness in Russia in the last decades of the century, dynamically seen, it is in that period that the basis was laid for the growing backwardness of the Russian economy throughout the first half of the nineteenth century.

The rate of growth of Russian industry during that period cannot be ascertained with high statistical accuracy, but there is little doubt that, by and large, it was very low. To be sure, the development was somewhat faster in certain branches of the textile industry, but progress was almost imperceptible in other fields, particularly in the iron industry, the output of which hardly kept up with the increase

of the population. As a general proposition the statement may be hazarded that the relative economic backwardness of the country increased not inconsiderably during the first half of the century.

Once a country experiences such a process of increasing lags, it is not unreasonable to expect — in conditions of the past century and within the sphere of European civilization — that at some point the specific mechanism of economic backwardness would come into play, so that, depending on the degree of the country's backwardness, one of the usual patterns of economic development in such conditions will reproduce itself. To repeat what has been said elsewhere,¹ the situation in a backward country may be conceived of as a state of tension between its actualities and potentialities. For, *pari passu* with the increase in a country's backwardness, there is an increase in potential advantages that can be reaped by a sustained effort to overcome that backwardness. The reason essentially lies in the fact that postponed economic development implies the opportunity for borrowing highly developed foreign technology while deriving additional benefits from the process of capital cheapening that has occurred outside a country's borders. As the tension mounts, it becomes more and more likely that a point will be reached at which the advantages implied in rapid development will more than offset those obstacles to progress which are inherent in the state of economic backwardness. Clearly, the tension can be artificially increased from two sides, both by deliberate abolition of such obstacles and by creating deliberate inducements to economic development. The process is to some extent a discontinuous one and this not only because of the suddenness of deliberate actions just referred to, but also because *in conditions of the nineteenth century* the advantages inherent in "bigness" were particularly telling. Thus, economic development either took place as a rapid spurt of industrialization fully utilizing economies of scale of plant and economies inherent in "balanced growth" — that is, simultaneous development of a considerable number of industrial branches — or else it did not take place at all. It can also be argued that the more delayed was the industrialization process in conditions of secularly growing capital intensity of output, the more rapid the spurt of sudden growth which was required to break through the trammels of routine and stagnation.

¹ See Chapter 1 of this volume.

In other words, the tension of which we spoke before had in such conditions to become particularly large.

Schematic as the foregoing presentation has been, it seems that it contains a generalized view of how economic backwardness was overcome in a number of European countries of the nineteenth century (such as France, Germany, and Austria). But the same pattern essentially applies to the economic development of Russia.

The emancipation of the peasantry was no doubt a decisive step in widening the tension and thereby facilitating subsequent economic development. That it did not lead immediately to a period of rapid industrialization must be explained first in terms of the way in which the abolition of serfdom was carried out. Moreover, in conditions of very considerable backwardness, provision of capital by the state was an indispensable part of the industrialization process and accordingly the process could not begin until the beginning of the deliberate industrialization policies by the government in the middle eighties, leading to the magnificent spurt of industrial growth in the 1890s. In conditions of backwardness far greater than that of countries in Western Europe, supply of capital by dint of investment banking was hardly feasible and the functions performed by the latter to a considerable extent were performed in Russia by the state.

These similarities in policies pursued by the respective institutions denote the existence of a common pattern of economic development in conditions of backwardness; differences in the role of institutional instruments applied denote variations in the degree of relative backwardness. Viewed over a sufficiently long period, the differences tend to disappear as diminishing backwardness makes possible — and did make possible in Russia — gradual transition from the use of government finance to that of investment banking.

The use of either instrument implies temporary reduction in the levels of consumption of the population. The purpose in both cases is to achieve a rate of investment higher than would emerge in the absence of intervention by government or banks. Forced saving (inflation) and taxation perform the same service in achieving a temporary redistribution of income. The Russian experience illustrates the sequence with great clarity. Both the period of the nineties and the period preceding the outbreak of the First World War were

periods of high rates of growth, but, whereas the former period was one of considerable pressure upon consumption levels, improvements in standards of living were clearly discernible during the latter period.

To sum up, it may be said that the main drift of Russian economic history reproduced a series of sequences which were familiar from the economic history of the West, and that such deviations from those sequences as could be observed fitted well into a general continental pattern of development adjusted to gradations of backwardness. The outstanding feature of the process was the utilization in Russia, as elsewhere, of the advantages which are inherent in delayed economic development.

There is no intention in the foregoing sketch to imply that Russian economic development proceeded *necessarily* as it did in faithful obedience to some iron law of evolution. What is implied is that the actual development seems to conform to a certain pattern and that such conformities and uniformities as can be observed do help us understand the course of events. In fact, historical understanding essentially consists in the formulation of such patterns. That the development followed a certain course does not preclude the possibility of alternative routes, but it does suggest that the forces which propelled the Russian economy along its actual course must have been strong indeed. It appears justifiable, therefore, to raise the question to what extent an awareness of these forces and, more specifically, of the individual elements which combined to produce the actual pattern of Russian economic development can be discerned in the writings of men who figured so prominently in Russia's intellectual history of the nineteenth century. It is to the discussion of this question that the next section is devoted.

II

Russian writers were fond of describing Radishchev as the "first Russian *intelligent*." What they had in mind no doubt was his adherence to the two principal articles in the intelligentsia's creed: hatred of slavery and deep concern for the well-being of the peasantry (*narod*). Whatever the strict validity of Radishchev's claim to seniority, a striking change in attitude had taken place over the short period of some seven decades which separate his *Puteshestvie iz Peter-*

burga v Moskvu (A Journey from Petersburg to Moscow; 1790) from Pososhkov's *Kniga o skudosti i bogatstve* (The Book on Scarcity and Wealth; 1724). It is almost difficult to believe that Pososhkov and Radishchev sprang from the same soil.

Pososhkov's interests turn essentially around one thing — the economic development of the country. His was an altogether dynamic philosophy in the sense that what concerned him was the *change* in the given data of the Russian economy. His main attention was devoted to increases in the technical and commercial proficiency of that economy. Introduction of new industries and their placement in economically rational locations; organization of geological expeditions; reform of Russian handicraft by adapting the Western craft-guild framework with well-regulated apprenticeship; promotion of innovations by adoption of patent laws; attraction of foreign skills and foreign technology; encouragement of thrift; measures to increase the quality of output and to raise the standards of honesty in commercial dealings; putting children to work; forced measures to turn the beggar population to productive employment — all these reflected a mind bent upon rapid changes in economic structure and willing to consider most social and economic problems from that one point of view.² Accordingly, a problem like the judicial reform was treated largely from the point of view of its effects upon the taxpaying capacity of the population and its propensity to escape abroad or into frontier regions. Similarly, peasant serfdom did not interest Pososhkov directly. It is difficult indeed to regard him as opposed to the system of serfdom. He was much more concerned with legal steps which would prevent large serf owners from appropriating the serfs of the poorer gentry. And beyond this he recognized that the nobility and the gentry and the government competed with each other for the labor or the produce of the serf. It would indeed strain the imagination to see in Pososhkov's famous phrase, "The lords are not permanent possessors of the peasants,"³ an attack upon peasant serfdom. It was rather a threat to replace serfdom to the *pomeshchik* by serfdom to the state, should the system be used to

² I. I. Pososhkov, *Kniga o skudosti i bogatstve* (Moscow, 1951), pp. 150, 148-149, 146, 142-143, 140, 128, 117-118, 110.

³ *Ibid.*, pp. 178, 182.

the detriment of the government's interest in economic development. And, analogously, his interest in the well-being of the peasants was largely expressible in terms of the fiscal needs of the government and its desire to increase the productivity of the economy.⁴ It seems a fair guess that Pososhkov's statements in this respect would have turned out to be even more unambiguous had he not been writing in the later years of the reign of Peter I, when the disastrous effects of his policy upon the peasantry had become quite obvious.

How different is Radishchev's case against serfdom. Moral indignation against ownership of man by man is coupled with deep compassion for the misery of the peasant. He finds burning words to describe the grain stored up by the nobility: it has been produced by labor services; it embodies the sorrow and despair of the peasantry and carries upon it the curse of the Almighty.⁵ Even more important than what is said by Radishchev is what he does not mention. Gone is the concern with economic development, the concern with levels of output and economic skills. The people's well-being is no longer a means to an end; it is an end, in fact, a supreme end in itself. "Can the citizens be happy if the granaries are full but the stomachs empty?"⁶ At the same time, references to economic progress have been reduced to an occasional phrase concerning "flourishing of trade" and to the brief remark in the "Letter on China Trade" that imports of textiles from China would regrettably reduce Siberian consumption of domestic textiles.⁷

In this sense, Radishchev does appear as an ancestor of several generations of Russian intellectuals. In the field of economic policy, deep interest in the conditions of the peasantry and lack of interest for Russian industrial development seem to be characteristic of a long stretch of Russia's intellectual history. Pososhkov's harshness and his worship of the state had given way to a humanitarian view. That for quite some time the change that had occurred remained almost unrecognized or at least was not seen as a problem may be explicable by a number of reasons, but perhaps the most important

⁴ *Ibid.*, pp. 182-183.

⁵ A. N. Radishchev, *Polnoe sobranie sochinenii* (Complete Collection of Works) (St. Petersburg, 1907) I, 159.

⁶ *Ibid.*, I, 161.

⁷ *Ibid.*, II, 240.

one was that after the reign of Catherine the Great abolition of serfdom had become a necessary precondition of economic development. Presumably, Peter the Great had civilized Russia to the point at which a return to his own methods of industrialization no longer was in the stars of practical policies. It required, in our time, a collapse of civilization through an unprecedented war and the establishment of the Bolshevik dictatorship to bring about such a return. In principle, at least, to advocate the emancipation of the peasantry was not to predetermine the direction of further economic development. In reality, however, Russian intellectual history in many instances went beyond such a noncommittal attitude, and the Decembrists, the "crowd of noblemen" who were expected to become the "liberators of the peasantry," to use Pushkin's words, provide the first case in point.

With Pestel and N. I. Turgenev, Radishchev's indifference toward industrial development seems to give way to an attitude of opposition. This may seem strange, particularly for Turgenev, who is perhaps the most emphatic "Westerner" of the century. "Si l'on se demande dans quel sens le peuple russe est destiné à marcher, je dirai la question est déjà résolue par le fait; il doit marcher vers la civilisation européenne."⁸ But did this mean that marching toward European civilization implied industrialization of the country? One might have expected so from a man who was primarily an economist and from a book which was published as late as 1847. But beyond an occasional statement (such as that industry and commerce in Russia failed to show much progress in the last twenty-five years⁹), one would look in vain for any sign of appreciation of industrial progress. It is true that in dealing with the ill effects of serfdom upon the country Turgenev does not forget its retarding impact upon development of industry: "Quant aux fabriques et aux manufactures, l'existence de l'esclavage agit sur elles d'une manière plus fâcheuse encore que sur l'agriculture; il leur est non moins impossible de prospérer là où le travail n'est pas libre."¹⁰ But the author catches himself in midparagraph for he continues:

⁸ N. I. Turgenev, *La Russie et les Russes* (Paris, 1847), III, 4.

⁹ *Ibid.*, III, 20.

¹⁰ *Ibid.*, II, 167.

D'ailleurs, lors même que l'esclavage n'existerait plus, la grande étendue des terrains susceptible de défrichement et de culture empêcherait l'industrie manufacturière de prendre une grande extension: car les ouvriers n'iront pas s'enfermer dans les fabriques tant qu'il y aura pour eux d'autres travaux, tant que la terre leur offrira des ressources plus faciles.¹¹

Should someone feel that the sentence just quoted carries some sense of regret about the fact that availability of free land constitutes an obstacle to industrial development because it limits the labor supply to manufacturing plants, he is quickly disabused. For the very next paragraph reads: "Cependant le gouvernement russe, comme tous les gouvernements, veut à toute force des fabriques et des manufactures, et lui aussi il en encourage l'établissement *aux dépens des véritables intérêts de la nation*."¹²

It is of less interest here that among the many accusations that could have been, and were, leveled against the regime of Nicholas I this particular one was least deserved. What does matter is that in Turgenev's view even the modicum of attention which the government of the period devoted to industry is regarded as being in conflict with the "true interests of the nation."

Pestel's views on the subject are at times less easy to state succinctly, since in some respects they were in a state of flux. In particular, certain discrepancies between his *Russkaya Pravda* (Russian Law) and the earlier *Prakticheskie nachala ekonomii* (Practical Principles of Economics) are fairly obvious. Still, the affinity between the views of Turgenev and Pestel is undeniable. Like Turgenev, Pestel accepts the principle of the greater efficiency of free labor as against slave labor, even though the actual liberation of serfs, it is said, had best be gradual rather than instantaneous. This position is taken in the *Nachala* and reiterated in *Russkaya Pravda*.¹³

The stress on gradualness should not be taken as denoting a more friendly attitude on Pestel's part toward serfdom as such. Quite the contrary, the passage dealing with the subject of serfdom is almost the only one in *Russkaya Pravda* where the matter-of-fact style of

¹¹ *Ibid.*, II, 167-168.

¹² *Ibid.*, II, 168.

¹³ See P. I. Pestel, in *Izbrannye sotsial'no-politicheskie i filosofskie proizvedeniya dekabristov* (Selected Sociopolitical and Philosophical Works of the Decembrists) (Moscow, 1951), II, 16-18, 119-120.

the document is suddenly relinquished and the dry Pestel almost reaches Radishchev's feverish eloquence. It seems correct to say that the Decembrists were unanimous in this rejection of serfdom on both moral and economic grounds.¹⁴ But what about the stage beyond the abolition? The author of the *Nachala* is of two minds on the subject.

First, he produces some statements on development of manufacturing which might be taken as suggesting genuine interest in the subject. In particular, he pleads for the introduction of craft guilds in order to ensure technical skills and high quality of the product. This paragraph sounds almost like a return to Pososhkov. So does the proposal of market controls by government organs to prevent sales of shoddy goods. And it is at this point that a direct reference is made to the backwardness of the country and the need of educational measures by the government in countries where "factories and mills are in an embryonic state" and the ignorance of the entrepreneurs is great. Just one step seems to separate Pestel at this point from developing an infant-industry argument comparable to that of Hamilton and List, and in this way stating at least one aspect of economic development in conditions of economic backwardness. But the step is never taken. In fact, in a different passage of the essay (which, incidentally, like *Russkaya Pravda*, remained a fragment) we find an altogether different attitude. Introduction of machinery is said to be irrational where labor is cheap, so that only rich countries can afford mechanization of production. Pestel is not quite aware that he uses two distinct, though related, arguments — relative scarcity of factors and the inability to sustain a high rate of investment — but it is clear that, to his mind, industrial development in Russia is impractical. Indeed, after having referred to difficulties which, according to J. B. Say, were experienced with the introduction of machinery in France, he describes such a policy for Russia as "fantastic."¹⁵ Thereafter, the classical argument of international division of labor is applied and is finally buttressed by the surmise that agrarian countries enjoy greater independence than industrial countries.¹⁶

¹⁴ See the summary given by M. V. Dovnar-Zapol'skii, *Idealy Dekabristov* (The Ideals of the Decembrists) (Moscow, 1907), pp. 156f.

¹⁵ Pestel, in *Izbrannye*, pp. 28, 65, 66, 68.

¹⁶ *Ibid.*, pp. 63, 64.

Russkaya Pravda reflects this attitude in a rather consistent fashion. The interest in governmental concern for quality of output and development of skills is eliminated and craft guilds are rejected as useless and inequitable. Alongside private-land property, the inalienable right of every Russian citizen to land allotment is to be regarded as a fundamental provision of the new order, thus not only incorporating into it a form of the *obshchina* but also introducing a specific institutional barrier to industrial development by placing a premium upon the flight from the city. Finally, Pestel finds strong words against aristocracy of wealth which is "much more harmful than feudal aristocracy." The government must beware lest such an "estate" establish itself spontaneously and must destroy it where it exists. This attack upon the bourgeoisie shows perhaps more clearly than the other provisions Pestel's aversion to an industrial society.¹⁷

It would not be difficult to trace some of the economic argument of the Decembrists to Adam Smith and J. B. Say, and even more directly to the German economists who taught in Russia, most notably H. Storch and F. B. W. Hermann. The influence of Storch's teachings is particularly conspicuous. Also Storch easily combined statements that manufactures cannot thrive in Russia in conditions of serfdom¹⁸ with the emphatic view that Russia should not be tempted upon the road of industrialization, all the more so since the "monopoly position" of an industrial country is temporary while that of an agricultural country is "permanent."¹⁹ To pursue any other policy would mean to relapse into the errors of mercantilism which gave precedence to industry over agriculture.²⁰

It is not claimed here that the influence of classical economics was the only determining influence upon the views of Turgenev and Pestel. Rather what is interesting to note here is (1) that by his concern with the creation of *obstacles* to industrial development Pestel went far beyond what he may have learned from Storch and Hermann and (2) that by adopting this position he also moved a

¹⁷ *Ibid.*, pp. 98, 108, 110, 134, 141.

¹⁸ H. Storch, *Cours d'économie politique* (Paris, 1823), IV, 264, and III, 184.

¹⁹ *Ibid.*, III, 79, 82.

²⁰ *Ibid.*, III, 214.

good deal beyond Radishchev. The stress on agrarianism, the aversion to the bourgeoisie, the desire to hamper the formation of a permanent industrial labor force — this is the legacy of the Decembrists to the next stages of Russia's intellectual history. The discrepancy between what was considered desirable and what actually happened became very large indeed.

If in some sense Radishchev and the Decembrists were the beginning of an era, in a different sense the Decembrists also closed a period. While opening up the intellectual history of the nineteenth century, they were the last link in the series of *coups d'état* of the eighteenth century. To them, seizure of power and reorganization of the country were immediate practical tasks. As a result, their proposals included elements which would have been quite unacceptable to most, though not all, of their successors. The establishment of a ubiquitous secret police proposed by Pestel under the high-sounding name of "Vyshnee Blagochinie" (Superior Decency) and the explicit approbation of spying and secret investigations is an extreme case in point.²¹ At the same time, the feeling that what they proposed was not just gray theory, but measures that might be put into effect shortly, certainly induced them to consider problems which were of much less importance to men of pure thought. The gradualness of the abolition of serfdom may have reflected the necessity to secure the support, or at least reduce the opposition, of the nobility to the reforms; but presumably it also reflected the recognition of the fact that a sudden cutting of the Gordian knot in conditions where the gentry economy and the peasant economy were intertwined through labor, capital, and perhaps entrepreneurship would have resulted in an economic crisis, if not catastrophe. With the smashing of the Decembrist uprising and the establishment of the regime of Nicholas I, Russian intellectuals were freed from paying too close attention to the exigencies of reality. At least for the immediately following decades, the change was not favorable for a preoccupation with problems of economic development. Economic treatises began to disappear from the "must" reading lists of Russian intellectuals. If the "younger brother" of the Decembrists, as Kliuchevski once called Eugene Onegin, still liked to flaunt his knowledge of Adam Smith,

²¹ P. I. Pestel', *Russkaya Pravda* (St. Petersburg, 1906), pp. 110-112.

the "children of the Decembrists," to use Ogarev's phrase, primarily had other interests. To be sure, metaphysics and aesthetics, even when not combined with Saint-Simonism, in many respects were just the mold within which discussion of social problems was cast. But the debate concentrated on fields other than economics, and it was not until Chernyshevski's time that Hegelian propositions were deliberately used for elucidation — or obfuscation — of problems of economic development. At any rate, it was only in the second half of the forties that such problems were taken up again.

Belinski, the dominating figure of the period, reflects this change. His Westernism as a rule does not descend into the low plains of economic interests. Belinski is, of course, quite willing to discuss serfdom from the humanitarian and moral point of view, but its economic implications, let alone the problems of its aftermath, are well outside his purview. For that reason a certain exception to the rule is all the more interesting. The reference is to Belinski's participation in 1847-48 in the debates between Botkin and Annenkov on the one hand and Herzen on the other. The subject of this discussion was Herzen's *Letters from Avenue Marigny* and specifically the attitude toward the bourgeoisie. The respective positions were succinctly expressed in the two prayers of the antagonists — Herzen's "God save Russia from the bourgeoisie";²² Botkin's "God give Russia a bourgeoisie."²³ A reflection of Belinski's attitude is even contained in a published article, the last written — or rather dictated — by him before his death.²⁴ There he takes mild exception to Herzen's negative view. But the uncensored letters show how seriously Belinski — in the last months of his life — struggled with the problem. The letter to Botkin written in December 1847 reflects these struggles. Hesitant to break away altogether from Herzen's position, Belinski seeks to define and redefine the concept of bourgeoisie, distinguishes between rich capitalists and bourgeoisie, explodes in a diatribe against the trader, and yet ends on a very different note: "I do not belong to people who take it for an axiom that the bour-

²² P. V. Annenkov, *P. V. Annenkov i ego druz'ya* (P. V. Annenkov and His Friends) (St. Petersburg, 1892), p. 611.

²³ *Ibid.*, p. 551.

²⁴ V. G. Belinskii, *Sobranie sochinenii v trekh tomakh* (Collected Works in Three Volumes) (Moscow, 1948), III, 840.

geoisie is an evil . . . I shall not agree to that before I have been shown in real life a country which prospers without a middle class; so far all I have seen is that countries without a middle class are doomed to eternal insignificance."²⁵ But in the letter to Annenkov, written only two months later, an even firmer position is taken:

My never-doubting friend [Herzen] and our Slavophiles have helped me much to shed the mystical faith in the people. Where and when did ever the people liberate itself? Everything is always done by individuals. When in our debates on the bourgeoisie I called you a conservative I was an ass to the second power while you knew what you were talking about. When in the presence of my never-doubting friend I said that Russia needs a new Peter the Great, he attacked my view as a heresy and said that the people itself must do all for itself . . . And now it is clear that the internal process of civil development in Russia will not start before . . . the Russian gentry has been transformed into a bourgeoisie.²⁶

In many respects, this is a unique statement. Acceptance of the bourgeoisie with its implied stress on industry; prayer in the same connection for a new Peter the Great which can only mean revival of industrialization policies — these views denote not only an abandonment of the agrarian position of the Decembrists but a recognition of special governmental policies in the process of industrialization.

To be sure, this statement also implies complete lack of hope that a Russian bourgeoisie may emerge alongside the gentry rather than from the ranks of that group, a sentiment, incidentally, shared by Botkin.²⁷ Nor would it be wise to overlook entirely the fervor of the denunciation of the merchant in Belinski's letter to Botkin — "the base, despicable, vulgar creature who serves Plutus and Plutus alone."²⁸ But when all is said and done, it seems fair to say that the "Furious Vissarion" came closer than anybody else among the great figures in Russian intellectual life of the time to an industrial vision, one might perhaps say a correct prevision of the country's economic development.

It is tempting to speculate whether Russia's intellectual life was

²⁵ *Izbrannye filosofskie sochineniya* (Selected Philosophical Works) (Moscow, 1948), II, 550.

²⁶ P. V. Annenkov *i ego druz'ya*, p. 611.

²⁷ *Ibid.*, p. 523.

²⁸ *Pis'ma* (Letters) (St. Petersburg, 1914), III, 329.

not at the crossroads in these months before the outbreak of the European revolutions. Belinski's death, the wave of suppression which passed over Russia after the February revolution in Paris, the effect of the course of that revolution upon Herzen himself in 1848 — all these factors served to decide the disagreement between Belinski and Herzen in favor of the latter. The "child of the Decembrists" took up their tradition and transformed it into populist socialism. The brief moment of deep doubt in the value of that tradition passed unnoticed. But its existence is important and, in any attempt to go beyond a mere report of views held to an interpretation of the reasons for their emergence and persistence, Belinski's heretical stand deserves much attention.

Turning to Herzen, it is neither possible nor necessary within the scope of this essay to do more than explore his relation to predecessors and indicate his general position on the subject of Russian economic development. To say that the struggle against serfdom unites Herzen with Radishchev and Pestel is of course a flat truism. The problem is what in Herzen's mind was to follow the abolition of serfdom. The espousal of the *obshchina* as the ideal form of organization of agriculture, the view of an economy organized in *obshchinas* freed from the power of the *pomeshchiki*, did indeed constitute a vision of Russian economic development, a specific vision of Russian agrarian socialism. But what was new in this vision? Pestel had in fact, though not in name, incorporated the *obshchina* into the program of his *Russkaya Pravda*. That Herzen's ideas on the subject came from Haxthausen and the Slavophiles while Pestel's work was unknown to him is, of course, true, but is immaterial from a point of view which is concerned with the broad trends of intellectual development rather than with the question of specific influences, let alone priorities.

Something else was new in Herzen. The question of Russia pursuing a road of economic development different from that of the West did not explicitly arise for Pestel. That Russia would eventually remain an agricultural country was basically the result of general economic laws concerning the international division of labor, valid for both the Orient and the Occident. It is true that Pestel

we have seen, envisaged special legal measures designed to reinforce and preserve the agrarian character of the Russian economy, but in a sense this was no more than an attempt to buttress the operation of an economic law common to both Russia and the West. By contrast, Herzen's views contain a deliberate rejection of the road traveled by the West. The Russian past was different from that of the West; accordingly also the Russian future need not follow the road traveled by the West. The following sentences present this view in a most concise form. Addressing himself to "the West" Herzen said:

Nothing in Russia . . . bears the stamp of routine, stagnation, and finality which we encounter with nations which, through long labors, have created for themselves forms of life which to some extent correspond to their ideas.

Do not forget that in addition Russia remained ignorant of the three scourges which retarded the development of the West: Catholicism, Roman law, and the rule of the bourgeoisie [*meshchane*]. This much simplifies the problem. We shall unite with you in the coming revolution. [But] for that we need not pass through those swamps which you have crossed; we need not exhaust our forces in the twilight of [your] political forms . . . We have no reason to repeat the epic story of your emancipation, in the course of which your road has become so encumbered by the monuments of the past that you hardly are able to take one single step ahead. Your labors and your sufferings are our lessons. History is very unjust. *The latecomers receive instead of gnawed bones the [right of] precedence [at the table] of experience. All development of mankind is nothing else but [an expression of] that chronological ingratitude.*²⁰

This is a remarkable passage. There is no need to ask whether Russia of mid-century was an appropriate vantage point from which to accuse the Europe of industrial revolutions of routine and stagnation, nor need one pause to marvel at the hubris which such an accusation reflects. In a sense, not even the rejection of the Western course of development for Russia is so striking; though an innovation in relation to Pestel, it was, at least in principle, none in relation to earlier slavophile thought.²⁰ What is so surprising is the clarity with

²⁰ A. I. Gertsen, *Polnoe sobranie sochinenii i pisem* (Complete Collection of Works and Letters), ed. M. K. Lemke (Petrograd, 1919-1925), VIII (1854-1887), 151. My italics.

²⁰ Herzen's triad in the preceding quotation (Catholicism, Roman law, and the bourgeoisie) is rather curiously paralleled by Ivan Kireyevski's triad (Roman Church,

which Herzen here recognizes the importance of what was to become an essential element of Russian economic development; the advantages of backwardness, which are elevated to the rank of a ubiquitous law, or at least of a ubiquitous phenomenon, of human history. Again, just one step seems to separate Herzen from asking the question of how the industrial development of Russia might differ from that of the West because of her latecomer's position. But the question is never asked; the hatred of the bourgeoisie and the horror of a proletariat (which as often as not is conceived by Herzen as an agricultural labor force²¹) preclude any serious consideration of Russia's industrial possibilities. The vision remains riveted to the obshchina; the "advantages of backwardness" are applied not to the mode of industrial development but to the opportunity to pass from the age of serfdom into the age of socialism, and as a result the preservation of the old rather than the easy introduction of the new comes to be considered the essence of a latecomer's position. When Chernyshevski adapted Herzen's view and faithfully repeated the operation of holding the key to the understanding of Russia's economic development in his hands only to turn it the wrong way, it required a good deal of strenuous dialectical reasoning to explain that the new and the old were really one and the same thing. But before we look at Chernyshevski's treatment of the problem, a few preliminary remarks may be in order.

There is little doubt that Herzen's thought after 1848 is representative of much in the views of his former antagonists, the slavophiles. True, most important differences remained with regard to orthodoxy, humility, peasant violence, foreign policies, and so forth; but with regard to the problem at hand the differences are imperceptible. Khomyakov, too, understood the advantages of backwardness and, in fact, was willing to apply them to phenomena much more concrete than the advent of agrarian socialism. As early as 1845 he wrote: "With regard to railroads, as in many other things, we are particularly fortunate; we did not have to expend energy on experi-

Roman culture, and a state established by violence). See I. V. Kireyevskii, *Polnoe sobranie sochinenii v dvukh tomakh* (Complete Collection of Works in Two Volumes), ed. M. Gershenson (Moscow, 1911), I, 184.

²¹ Herzen, *Polnoe*, VII (1852-1854), 276.

ments and to strain our imagination; we can and shall reap the fruits of others' labor."⁸² And he becomes even more specific: the advantage of easy technological borrowings, he says, is complemented by the advantage of not being hampered by the immediately preceding stage of technical development, the network of comfortable roads.⁸³ He continues:

We have been imitating Europe for nearly a century and a half, and we shall continue to do so, and for a long time shall utilize European inventions. Possibly, the time might come when we, too, shall serve in many respects as a model for Europe, but it is impossible for her intellectual achievements ever to become completely useless to us.⁸⁴

It is not unlikely that Khomyakov's personal interest in technology explains his views to some extent. After all, he was himself the inventor of a "silent steam engine" which, incidentally, when sent to the World Exhibition in London, is said to have caused the inhabitants of the surrounding district to consider petitioning the government because of its insufferable noise.⁸⁵ Probably much more important is Khomyakov's awareness of the military importance of railroads. "When all other countries are crisscrossed by railroads and are able rapidly to concentrate and to shift their armed forces, Russia necessarily must be able to do the same. It is difficult, it is expensive, but, alas, inevitable."⁸⁶ The slavophiles were better equipped than any other group of the Russian intelligentsia to appreciate the significance of national power interests and power policies. It is true that their views on Peter the Great did not reveal such an appreciation. But there is always a great difference between appraisals of history and of current problems. And to the extent that power policies in fact cannot be easily disassociated from the causes of Russian economic development in the second half of the nineteenth century, the slavophiles actually probed more deeply than Herzen. It should not be surprising, therefore, that Khomyakov has much more to say on railroads, a prerequisite of later industrial upsurge, than does Herzen

⁸² A. S. Khomyakov, *Polnoe sobranie sochinenii* (Complete Collection of Works) (Moscow, 1861), I, 420.

⁸³ *Ibid.*, p. 424.

⁸⁴ *Ibid.*

⁸⁵ B. S. Zavitsevich, *Aleksei Stepanovich Khomyakov* (Kiev, 1902), I, 243.

⁸⁶ Khomyakov, *Polnoe*, I, 420.

or Ogarev, Herzen's economic expert, who conveys the passing and perhaps half-ironical word of approval of government programs of railroad building.⁸⁷

For the rest, however, the difference between Khomyakov and Herzen is almost imperceptible, and, though Khomyakov does not consider himself a socialist, he is happy to point out the similarities between Russian *artels* and Fourier's *phalanstères*.⁸⁸

Two honorific titles have been conferred upon Chernyshevski in Soviet hagiology. He is a "great revolutionary democrat" and, in addition, the "great Russian economist." The second title is both more distinctive and more dubious than the first. It is not clear at all that Chernyshevski made any independent contribution to economic analysis. But at the same time it is true that by his knowledge of economic literature and by his interest in empirical economic problems he stands out in the line of writers with whom this essay is concerned. There is in particular no doubt that his economic erudition and his comprehension of economic problems is infinitely superior to that of Ogarev, the man who in the preceding generation devoted the most attention to economics. And yet, with regard to the problem of economic development, Chernyshevski appears to be hardly more than a continuation of Herzen.

Chernyshevski does not simply ignore industrial developments. He returns many times to the themes of accumulation of capital and of mechanization of productive processes.

Russia enters upon that stage of economic development in which capital is being applied to economic production.⁸⁹

We must not conceal from ourselves that Russia, which so far has taken little part in economic development, is being rapidly drawn into it; our economic life, which up till now has remained almost entirely outside the influence of those economic laws which reveal their power only when economic and commercial activities have been enhanced, begins to fall rapidly under the sway of those laws. Possibly we, too, will soon enter the sphere within which the law of competition is fully valid.⁹⁰

⁸⁷ N. P. Ogarev, in *Izbrannye sotsial'no-politicheskie i filosofskie proizvedeniya* (Selected Sociopolitical and Philosophical Works) (Moscow, 1952), I, 135.

⁸⁸ Zavitsevich, *Khomyakov*, I, 300.

⁸⁹ *Izbrannye ekonomicheskie proizvedeniya* (Selected Economic Works) (Moscow, 1948), I, 148.

⁹⁰ *Ibid.*, p. 108.

ECONOMIC BACKWARDNESS IN HISTORICAL PERSPECTIVE

In the era of railroads it seemed impossible to ignore the change that was in the making. It was perfectly clear to Chernyshevski that Russian peasants would be profoundly affected by the growth of the railroad network, the consequent increases in grain prices, and the volume of foreign trade. Factory cloth would enter the huts of the peasants, but:

Whatever those changes, let us not dare touch on the sacred and saving custom that we have inherited from our past, all the misery of which is redeemed by one invaluable legacy — let us not dare assault the common use of land — the great bounty on the introduction of which depends now the welfare of land-tilling classes in Western Europe. May their example be a lesson to us.⁴¹

The obshchina must be saved despite the coming great transformation. No one can read Chernyshevski's statements on the latter without receiving the sense of an impersonal, almost elemental process. How can the obshchina, the very symbol of everything that is traditional, be preserved when past traditions rapidly give way to innovation? Hegelian dialectics provide the answer: "In its form, the highest stage of development is similar to the initial stage."⁴² A long stream of analogies from geology, zoology, philology, military history, history of economic protectionism, history of fashions, and so on, is marshaled to illustrate that "axiom." Languages uninflected in the early stages became inflected, only to drop the inflections later; savages do not protect domestic industries, but after a mercantilistic period of protectionism the period of free trade returns mankind to the starting point. And if the evolution of the "whole material and moral world is subordinated to that law, is it likely that the area of landownership should remain the lonely exception?"⁴³ The obshchina thus is not an anachronistic survival; it is the inevitable end of development. True, Russia had never known the intermediary stage, which, after all, is an essential link in Hegel's "axiom" or "law." But this is precisely the point. Russia, because of her very backwardness, is able to skip the intermediary stage. Example after example is adduced showing both the gradualness of technological progress and

⁴¹ *Ibid.*

⁴² *Ibid.*, p. 697.

⁴³ *Ibid.*, p. 715.

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the ability of backward nations to borrow its most recent, most perfect form. After having thus elaborated on Herzen's advantages of backwardness, Chernyshevski ends by paraphrasing Herzen's words: "History is like a grandmother; it loves the younger grandchildren. To the latecomers (*tarde venientibus*) it gives not the bones (*ossa*) but the marrow of the bones (*medullam ossium*), while Western Europe had hurt her fingers badly in her attempts to break the bones"⁴⁴

Like Herzen, Chernyshevski stood on the threshold of an understanding of important aspects and, like Herzen, he chose to turn away. To do so was in many respects more difficult for him than it had been for his predecessor. Herzen never concerned himself much with any aspect of technological progress. Chernyshevski introduced technological change into the very reasoning designed to prove that in Russia advantages of backwardness consisted in the opportunity to preserve the obshchina. To overlook the obvious required a considerable effort, and Chernyshevski carefully avoided use of examples pertaining to modern industrial machinery and preferred to choose his illustrations from the instruction of savages in the use of matches and Latin script.

Though in the crucial respect Chernyshevski follows Herzen, the difference between the two writers need not be blurred. The obshchina for Chernyshevski is more than a form of land tenure. He likes to think of it as a form of reorganized production by the associated members.⁴⁵ An important consequence is that modern technology then could find its entry into the reorganized obshchina, and Chernyshevski places much stress on technological progress in agriculture.⁴⁶ That preservation of the obshchina might militate against introduction of modern technology into agriculture is strongly denied. If agriculture in the past was slow to adopt machinery, the reason does not lie in the obshchina, nor in any mental resistance on the part of the peasantry, but in the poverty of the peasant population.⁴⁷

And what about manufacturing? It is astonishing how little the

⁴⁴ *Ibid.*, p. 727.

⁴⁵ *Ibid.*, p. 213.

⁴⁶ *Ibid.*, pp. 288f.

⁴⁷ *Ibid.*, III:2, 418.

"great Russian economist" has to say on the subject — if we abstract, as we well may, from Vera Pavlovna's dreams — beyond his agreement to the proposition that more important than the growth of factory production is the growth of output of factory wares by the domestic industry and that, concerning the "question of usefulness of direct protection of factories, one should consider not so much the relation of our factories to foreign production of similar goods as their relation to the well-being of people who find work in the factories and still more the effect of factories upon the output of the same products by domestic industries." That the latter deserve to be protected does not raise any question in the author's mind.⁴⁸

The implications of the foregoing are clear. Governmental policies should discriminate in favor of small-scale domestic production of manufactured goods and against large-scale factory production. After having looked the other way so as not to see the advantages of backwardness in the application of very modern technology, it is only consistent to disregard the importance of large-scale factory production, through which alone, in the conditions of the nineteenth century, these advantages could be efficiently utilized. When, in addition, one remembers that Chernyshevski was inclined, in his *Annotations to J. S. Mill's Principles*, to view even Western industrialization and railroadization as a relatively short-lived process, pointing out that newly formed capital will find less and less application in trade and industry and hence will tend to turn to investments in agriculture,⁴⁹ and that at the same time large-scale units which are frowned upon in industry are favored in agriculture, the picture is completed. Russian industrialization and, by the same token, Russian economic development remain outside the scope of Chernyshevski's vision. It is not surprising, therefore, how often our author emphasizes his basic agreement with the slavophiles on questions of practical economic policies, even though he refused to side with them on the "more nebulous" problems which separated them from the Westerners. True, his early incarceration and subsequent exile severed Chernyshevski's immediate contact with Russian economic reality at a fairly early point. Had he remained in the centers of

⁴⁸ *Ibid.*, I, 142.

⁴⁹ *Ibid.*, III:1, 301.

European Russia throughout the rest of the sixties and the seventies, his views might well have undergone some changes. As it was, the discrepancy between Russian thought and actual Russian development perhaps nowhere else appears as clearly and as strikingly as in the writings of Chernyshevski.

It would be difficult, indeed, on the basis of what has been said so far, to visualize Russian intellectual development as guiding and anticipating her economic evolution. As we move on, however, an unusual and solitary figure lays claim to our attention. Pisarev, like Belinski (and unlike Chernyshevski), was, despite his interests in science and history, in the main a literary critic. Though in Russia at this time literary criticism necessarily implied concern with social problems, questions of economic development as a rule remained outside the purview of the critic. We cannot hope, therefore, to find more in Pisarev than a few disjointed remarks on our problem. But what we do find is very much worth recording here.

Coming from a line of thought which placed so much emphasis on collectivism in one form or another, and being particularly influenced by Chernyshevski, Pisarev surprises us by his attitude of strong individualism. At least, after 1863, Pisarev appears more and more as an advocate of industrial development and a defender of an enlightened capitalism. Following Russian traditions — or perhaps the general traditions of the nineteenth century — these views are presented as emanating from a general law:

There have been many revolutions in the course of history; political institutions, religious institutions disappeared, but the rule of capital over labor emerged from all these revolutions completely unimpaired. Historical experience and simple logic alike convince us that strong and intelligent people will always win over weaklings and dullards . . . Hence to wax indignant over the fact that educated and well-to-do classes rule over the toiling mass would mean to run against the indestructible and unshakable wall of a natural law . . . When we encounter an inevitable fact of this order, what is called for is not indignation, but an action which would turn this inevitable fact to the benefit of the people. The capitalist possesses intelligence and wealth. These two qualities assure his rule over labor. But whether that rule will cause damage to, or confer benefits upon, the people depends on the circumstances. Give that capitalist some sort of vague education and he will become a bloodsucker. But if you give him a complete, firm, humanitarian education — the same capitalist will become not indeed

a benevolent philanthropist, but a thinking, calculating leader of people's labor, that is to say, a man a hundred times more useful than any philanthropist.⁵⁰

These words sound indeed like an elaboration of Belinski's conviction that Russia could not prosper without a bourgeoisie. Pisarev, of course, goes far beyond Belinski. The interest in specialized disciplines was quite alien to Belinski's "Do throw away your political economy and statistics; any specialized knowledge lowers and degrades men; thought alone in its general universal sense must be the subject of man's study."⁵¹ For Pisarev, it is the growing body of specialized knowledge that is the earnest of social and economic progress. What is wrong with Tolstoy's Nekhlyudov is precisely that he wants to help his peasants without having first acquired a practical profession.⁵² Diffusion of such knowledge will solve all problems:

The time will come — and it is not far off — when all intelligent youth . . . will live a full intellectual life and its outlook will be serious and calculating. Then the young owner of an agricultural estate will organize it in European fashion; then *the young capitalist will establish the factories which we need, and will organize them in such a way as is required by the interests of both the owner and the workers; and that is all that is needed. A good farm and a good factory constitute the best and the only possible school for the people.*⁵³

Add to the foregoing Pisarev's penetrating idea that introduction of modern methods into agriculture is extremely difficult unless done in the atmosphere of a considerable industrial development,⁵⁴ and the result is not only a picture of a man for whom industrial development is much more important than agrarian collectivism and social problems in industry, but of one who also possesses a considerable insight into eminent practical problems of economic development, something that altogether eluded Chernyshevski.

The preceding quotations from Pisarev's works could be mul-

⁵⁰ D. I. Pisarev, *Sochineniya, Polnoe sobranie v shesti tomakh* (Works, Complete Collection in Six Volumes) (St. Petersburg, 1897), IV, 132.

⁵¹ Belinski, *Pis'ma*, I, 89.

⁵² Pisarev, *Sochineniya*, 237.

⁵³ *Ibid.*, III, 305. My italics.

⁵⁴ D. I. Pisarev, *Izbrannye filosofskie i obshchestvenno-politicheskie stat'i* (Selected Philosophical and Sociopolitical Essays) (Moscow, 1944), pp. 184, 212, 235.

tiplied to show the same trend of thought. It is also true that a considerable number of quotations could be gleaned that would point in a very different direction. In fact, Pisarev's inconsistencies are often staggering. It must suffice here to place on record this second brief departure from the rut of established thought and the willingness on the part of an important representative of Russia's intellectual history to accept industrial development and the philosophy of economic individualism. Pisarev's acceptance for Russia of the contents of Western economic development goes so far that there is no trace at all of any recognition that in Russia the mechanics of backwardness might have led to not inconsiderable differences in the course of industrialization. If Pisarev, in addition to his admiration for the figure of Rakhmetov, had taken over Chernyshevski's ideas on the advantages of latecoming, the result would have been remarkable indeed.

Yet Pisarev's failure to see an important aspect of Russian economic development hardly deserves any criticism in the light of subsequent intellectual history. As we approach the closing stretches of our review we encounter not a stress on the advantages but on the *disadvantages* of backwardness. From the end of the sixties on, it becomes almost impossible to ignore the fact of an important industrial development. But the prevailing attitude is to show that in the specific conditions of Russian backwardness the effects of industrialization and its very character must be particularly detrimental and that in such conditions industrial progress cannot proceed very far.

The remainder of this section will be used to illustrate this point briefly. Lavrov, while stressing the "borrowed" nature of Russian capitalism, claimed that the lateness of capitalist development in Russia implied the importation of a degenerated and debased form of capitalism:

We are passing not only through the transformation of our pre-emancipation economy into a bourgeois economy; that in itself would not be so bad; but together with the whole civilized world we are in the state of transition to the highest, that is to say, to the ugliest form of bourgeois economy. This is the stage at which the capitalists become large financiers; at which little stock-exchange kings become the rulers over the economic life of nations; at which the bourgeoisie develops into a financial aristocracy. This transition causes disastrous developments in the economic life of the

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masses — [it is] the true reason for the emergence of Western European socialism. But with us matters are much worse than with any other European nation. In the West, a bourgeois economy developed gradually, step by step, paralleling a process of discoveries and inventions. In some measure, the development of the bourgeois economy in the West was beneficial for the whole mass of the population . . . Only by-and-by it became clear that bourgeois economy in its very essence is hostile to the masses. That economy passed through several phases before reaching its present stage at which the inconsistency and irreconcilability of the interests of labor and capital have been revealed in their merciless nakedness . . .

With us the peasants were liberated — and accordingly a bourgeois economy became possible — when in the West it has acquired its latest form. But following the immutable law of competition of the bourgeois economy, the economy of any individual or any nation when drawn into the circle of the capitalist economy must necessarily assume the highest, the most developed, form of that economy. Thus we have passed without any intermediary stages from the economy of serfdom into the economy of stock-exchange kings, concessionaires, shady dealers, and the like. It is easy to understand that this order at once has become diametrically opposed to the interests of the whole population; that it is disadvantageous to our estate owners, our petty bourgeoisie, and the masses of the people. Only a tiny number of crooks and cheats have accumulated fabulous riches on the basis of general impoverishment and bankruptcy.⁵⁵

Thus, because Russia appears late on the industrial scene her industrialization has only negative effects upon the economy of the country.

It would be perhaps more natural to draw for our last illustration on the writings of N. K. Mikhailovski,⁵⁶ who in many respects concludes the long chapter of intellectual history with which we have been concerned here. Nikolai -on, to whose views preference is given here, strictly speaking does not fit into the line of figures we have

⁵⁵ P. L. Lavrov, *Vpered*, no. 16 (September 1, 1875/August 20, 1875), pp. 491f.

⁵⁶ Perhaps a brief reference to Mikhailovski's review of Dostoyevsky's *Demons* may be in order because it so clearly illustrates the almost unbelievable extent of the Populists' anti-industrialism. Mikhailovski upbraids Dostoyevsky for fastening his attention upon the insignificant group of criminal fanatics, while Russia is being crisscrossed by railroads, factories and banks are cropping up everywhere, and the real demons, not murderous at all — *mirnye i smirnye* — take possession of the country and destroy all that is worth preserving; see *Sochineniya* (Works) (St. Petersburg, 1888), II, 309-310. Compared with these attitudes, an organization like the Junker-led *Bund der Landwirte* in Germany appears like an association for the promotion of industry.

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treated so far. He, like Vorontsov, is essentially an economist rather than a general preceptor of the intelligentsia. But his writings provide an additional and important point of view concerning the specific character of Russian economic development.

What is Nikolai -on's contribution to our problem? Writing in the eighties and early nineties, he, even more than Lavrov, had to take for granted the fact of capitalist penetration, the economic history of three decades following 1861, "a highly detrimental process." But in analyzing this process he did not confine himself to remarks about the degradation of capitalism, but treated the problem essentially in terms of Marxian contradictions of capitalist development. On the one hand, as output grows, the "number of workers engaged in capitalist enterprises is bound to diminish in relation to the value of product,"⁵⁷ and the share of labor income in total income produced must fall. This is the result, among other things, of increased mechanization of production. On the other hand, capitalist industry destroys the indigenous industrial activities of the peasants. The internal market shrinks. Capitalist production of necessity requires a wide and growing market outside the domestic economy. There is no need, of course, within the scope of this essay to present more than the barest skeleton of this train of thought. In one form or another, the concept of deficiency of effective demand goes through much of modern economic theory from Malthus to Keynes. In the case of Malthus, as was true in the case of Nikolai -on, the discussion bore directly on the problem of industrialization of an agrarian country. What interests us here is the specific application of those ideas to the Russian scene. Nikolai -on believed that in Russia, because of her backwardness and the suddenness of her economic development, the general problem of capitalist development appeared in a much more acute form. Capitalist production in Russia did not increase the value of total output. It merely shifted production from the peasant hut into the factory. The peasant could do nothing save increase the exploitation of the soil; he was unable, in conditions of shrinking income, to improve the techniques of agricultural production, while confronted by American competition which used virgin soil and modern tech-

⁵⁷ Nikolai -on (N. Danielson), *Ocherki nashego poreformennago khozyaistva* (Essays on Our Post-Emancipation Economy) (St. Petersburg, 1893), p. 183.

nology.⁵⁸ At the same time, the growth of the tax burden upon the peasant further reduced the capacity of the internal market. Within the framework of capitalist development, industrial exports were indeed the only way out of the impasse into which capitalism had propelled the economy. But precisely at this point the disadvantages of industrialization in conditions of economic backwardness inevitably asserted themselves. Russian industry had been built up behind the shelter of high tariff walls. It was expensive and inefficient. The advanced industrial countries had long established themselves in foreign markets. To compete with such countries Russian industry had neither the requisite knowledge nor the technological equipment.⁵⁹ Its industry was, therefore, doomed to collapse. The great famine of 1891 was the catastrophic result of the inept policy of industrialization; it was the price paid for the abandonment of a principle that had been sanctified by long centuries of Russian economic life — the *obshchina*.⁶⁰

Thus, it can be seen that even a generous injection of Marxian theory did not necessarily lead to a radical change in the attitude toward the economic development of the country. A different group of people who also drew upon Marxian theories contrived to arrive at very different conclusions. A discussion of that group transcends the scope of this essay, but perhaps it is in order here to venture the surmise that the difference in conclusions followed much less from the theoretical structure used and much more from differences in response to the actual economic change that was taking place in the country. Nikolai —on's book with its extreme pessimistic forecast regarding Russia's industrial development appeared at a moment when the country stood on the threshold of a magnificent industrial upsurge. The very high rate of growth for the remainder of the nineties and the resumption of that growth after the 1905 Revolution effectively disproved the prophecy. It is perhaps not entirely inappropriate to conclude our survey with a mention of this glaring discrepancy between prognostication and event.

⁵⁸ *Ibid.*, pp. 129f, 322.

⁵⁹ *Ibid.*, p. 213.

⁶⁰ *Ibid.*, pp. 331, 375.

III

The divorce of the country's intellectual history from its economic history is curious indeed. Of course, its extent varied over the period under review. In a sense, the year 1861 provided an important dividing line. If it is true that the emancipation was a necessary prerequisite to the country's economic development, then the intelligentsia's abhorrence of serfdom entailed at least the acceptance of a long step on the road to industrialization. In addition, there is Belinski's brief flash of foresight. After 1861, there is a rapidly growing schism between idea and reality which Pisarev tried in vain to bridge. But, as the industrialization of the country gathered momentum, the process was either overlooked or viewed as transitory, and deplored withal. At the same time, the essential continuity of thought and attitude before and after 1861 cannot be gainsaid. The road of Russian economic development was rarely illuminated by the strong brilliance of prevision and prescience. Nietzsche once remarked that Hesiod's golden age and iron age actually referred to the same period, seen from two different points of view.⁶¹ It is tempting to suggest that what must appear to those interested in literature, sociology, perhaps philosophy, as the golden age of the Russian intelligentsia appears far from brilliant to the economist. The point is not that the prophets of the intelligentsia kept revealing verities that did not materialize. For all we know, their prophecies — or wishes — *might* have materialized and there is no suggestion here that what happened was bound to happen. But they are exposed to a different charge. They proved unable to grasp the nature of the forces that were pushing the country's economy in a direction which was repulsive to them. Much as they had thought about the peculiarities of Russia's economic evolution, they remained blind to those peculiarities which so greatly increased the chances of successful industrialization. As a result, Russia's economic history appears largely incomprehensible from the point of view of its intellectual history. But it is one thing to ascertain a deep rift between idea and economic reality. It is another to try to find what caused it.

⁶¹ Friedrich Nietzsche, *Zur Genealogie der Moral, Werke* (Leipzig, 1902), VII, 323.

To some extent, the ascendance of socialist ideas and ideals among Russian intellectuals may provide an explanation. Venturi in his monumental work on Russian populism essentially sees it as a branch of socialist thought. At least from the 1830s on, the influence of Western socialist ideas was undeniably strong. Not even Pisarev, not even Botkin, completely escaped that spell. Much of nineteenth-century socialism was characterized by two aspects: (1) strong interest in distribution as against production and (2) criticism of the results of capitalist development in the West. To accept industrial development seemed to imply deliberate acceptance of the ills of Western industrialization. Shelgunov, writing in 1861, put this attitude into clear words: "Europe has awakened; she has understood her malady. Russia too has awakened, but has she risen from slumber only in order to walk consciously the road over which Europe has passed unconsciously?"⁶² To approve of industrialization, then, meant to accept deliberately the "cancer of the proletariat," as the phrase ran, to approve the destruction of the obshchina and the uprooting of a traditional way of life, and to countenance the corruption of a value system which apparently contained many elements of socialist morality, only to see it replaced by the vice and the depravity of a factory town, so vividly and so shockingly described by G. Uspenski. The cold-blooded concept of economic progress as "service for the future centuries" and not as an aid to the lowly and humiliated, scorchingly satirized in one of Konrad Lilienschwager's poems,⁶³ ran counter to all the ingrained ideas of Russian intellectuals. It is therefore not surprising that even a man like Kavelin, who remained free from socialist influences, was genuinely concerned with Russia's industrial development. He thought a good deal about the restrictive elements of communal landownership, but he not only shrank away from an emancipation favoring industrial progress, not only warned against an "industrial delirium tremens," but also regarded the obshchina as the "great reservoir of the people's forces," advocated its retention in a reorganized form, and, though recognizing the "miracles of in-

⁶² N. V. Shelgunov, *Sochineniya* (Works) (St. Petersburg, n.d.), I, xxv.

⁶³ "Progress sovsem ne bogadel'nya, / On sluzhba budushchim vekam, / Ne ustanovitsya bestsel'no / On dlya posob'ya bednyakam." N. Dobrolyubov, *Stikhotvoreniya* (Poems) (Moscow, 1948), p. 138.

dustrial development" of which Europe and the United States "are so justly proud," was quick to call attention to "the unfavorable sides of the process," its social effects.⁶⁴ And it is perhaps even less surprising that Marx, much to the embarrassment of later Russian Marxians, also tended on the whole to espouse the basic attitude of Chernyshevski. Not only did Marx in 1877 explicitly refuse to grant the applicability of his theory of economic development to Russia beyond the truism that success of industrial development required transformation "of a good part of its peasants into proletarians"; but, in the drafts of his well-known letter to Vera Zasulich in 1881, he explicitly combines the discussion of the obshchina with the problem of advantages of backwardness and envisages a development and transformation of the obshchina in accordance with "the positive results of the mode of [capitalist] production." It is true that, in speaking of economic development of a backward country, Marx refers to the rapidity with which Russia introduced the modern financial institutions, while Chernyshevski preferred to escape into anthropology in order to make the same point. But this only serves to underscore the remarkable closeness between Marx and Chernyshevski.⁶⁵ Though it may make good sense to explain the attitudes taken by the Russian intellectuals by reference to their socialism and their general humanitarianism, it would hardly be reasonable to suggest that their failure to adopt the specific Marxian socialism prevented them from seeing, let alone foreseeing, the course of the country's industrial development. As the example of Nikolai —on shows and as Marx's scattered thoughts on the subject confirm, any position with regard to Russian industrialization was deducible from Marx's theoretical framework.

But to use socialism as an explanation inevitably raises a further question. Surely, there was no iron law in obedience to which the main current of Russian intellectual thought came to display socialist features. Why was it socialism that Russia borrowed from the West rather than Bentham's utilitarianism? It is again very difficult not to

⁶⁴ K. D. Kavelin, *Publitsitsitka*, in *Sobranie sochinenii* (Essays on Current Themes, Collected Works) (St. Petersburg, 1898), II, 163, 164, 177, 181, 184.

⁶⁵ Karl Marx and Friedrich Engels, *The Russian Menace to Europe*, ed. P. W. Blackstock and B. F. Hoselitz (Glencoe, Ill., 1952), pp. 216-217, 222-223.

associate the peculiar bent of Russian intellectual history with the backwardness of the country, and that in several respects.

First of all, there is something like an ideological counterpart to the play of backwardness in the economic sphere. In a backward country there is a coexistence of abject material poverty and modern humanitarian ideas which to a large extent have developed elsewhere after, and on the basis of, a good deal of economic progress. A comparison between Pososhkov and Herzen may illustrate the point.

This leads directly to the second point. So far it has been possible to maintain the artificial separation of economic backwardness from political backwardness. The relation of the latter to the actual economic development in Russia is a most complex phenomenon and need not concern us here. But the retardation in the development of modern forms of government, that is to say, the preservation of the autocratic regime and the absence of a normal political arena, meant that the Russian intellectuals were forcibly excluded from active preoccupation with practical problems. Accordingly, they were pushed into abstract thought which, untempered by contact with reality, assumed the form of growing radicalism, and the radicalism in thought in turn led to radicalism in action. In the absence of political oppression, it may not have taken Belinski all his life to arrive at a positive appraisal of the role of the bourgeoisie. Pisarev's "nihilists" were men interested in the study of natural sciences. It was not the fault of the moderate, even though boisterous, Pisarev that Russia's political backwardness deflected the energies of her youth into other channels and that the nihilists, instead of being Benthamite utilitarians in thought and managers of chemical factories or steel mills in practice, actually used their scientific knowledge for the preparation of bombs to be employed in terrorist assaults upon the government.

Third, precisely because of the backwardness of the country, and the resulting absence of a significant gradual change in the value patterns of the population, Western socialism easily coalesced with the system of agrarian value orientations with its emphasis on the worth of the plowman's labor and its rejection as sinful of activities which were not directly connected with tilling the soil. Russian socialism of the period deserves its name of *narodnichestvo* because,

to a great extent, it adopted the value orientations of the *narod* which placed considerable opprobrium on trading and industrial pursuits.

And, finally, the economic development of backward countries, in the conditions of the nineteenth century with its growing capital intensity of output and its stress on bigness in the sense described earlier, also implied the costliness of a big spurt of industrial development in terms of the sacrifices to be imposed upon the population. The transitory detrimental effects of industrialization in Russia were bound to be greater than had been the case in more advanced countries, and a comparison of the change in the levels of consumption in Russia of the 1890s and, say, England of the closing decades of the eighteenth century fully confirms the difference. To accept these sacrifices, however temporary they may be, certainly was difficult, if not impossible, for minds dominated by compassion for the misery of the peasant and eagerness to improve his position as speedily as possible.

Thus, the strength of socialist doctrine in Russia is at best only a part of the explanation for the inability to accept or even to comprehend the nature of the country's economic evolution.

Perhaps nothing shows this more clearly than the circumstance that, if they had wished to do so, Russian intellectuals could have extracted a great deal from Western socialism which would have had direct application to the country's industrial progress. Marx is the obvious, but perhaps not the most important, case in point for the period under review. The close relation between Saint-Simonian tenets and the industrial development in France, Germany, and other Western countries is a matter of historical record. There were indeed men in Russia who were attracted by that aspect of Saint-Simonian doctrines. One need only mention names like I. Vernadski, V. Bezobrazov, Tengoborski, and others. The use of investment banks for purposes of industrial development certainly appealed to their imaginations. To some extent, they may even be said to have continued a more indigenous Russian tradition because of similar ideas in Mordvinov's writings. But neither Mordvinov nor the group of men just mentioned properly belongs within the scope of what has been treated here as Russian intellectual history. Perhaps Ogarev alone reveals some traces of Saint-Simonian influence in this respect, but

significantly his interest in credit institutions is confined to the sphere of agriculture rather than industry.⁶⁶ In addition, it is not even clear whether Saint-Simon or Proudhon had inspired Ogarev's ideas. Thus one cannot accuse the Russian intellectuals of wholesale blind acceptance of Western socialism. They took over what fitted into the pattern of their basic predispositions and predilections. The roots of the latter, however, were deeply imbedded in the value system of the peasantry and the general backwardness of the country.

Some conclusions might emerge from the preceding survey for the present-day problem of underdeveloped countries. It would seem that the specific *Weltanschauung* of Russian intellectuals, with its deep and immediate concern for the welfare of the peasantry and its unwillingness to accept industrialization, need not necessarily be confined to Russia of the nineteenth century. We have so far neglected the effects of those attitudes upon Russia's economic development. To some extent such neglect is justified. The Russian autocratic regime effectively excluded most of the intelligentsia from direct participation in political decisions. Their thought could not be translated into action. By the same token, they remained unable to influence, let alone to determine, the nature of the country's economic development. The latter was partly the result of impersonal economic forces, partly an almost accidental by-product of government decisions pursuing other goals, and partly the result of deliberate governmental policies. Even so, the attitudes of the intelligentsia could not fail to have some negative effects. While Chernyshevski could not affect policies, he could — and did — influence the attitudes of thousands of Russian university students. Their unwillingness to prepare themselves for practical industrial work, their scorn of "careerism," and their preference for pure knowledge untainted by any suggestion of monetary rewards — this "oriental" attitude was no doubt greatly reinforced by the whole tenor of the intelligentsia's general philosophy.⁶⁷

There is no question that to some extent such attitudes served

⁶⁶ Ogarev, *Izbrannye* (n. 37), I, 740f.

⁶⁷ It is useful to read in this connection Prince Obolenski's vivid description of the criteria which he and his generation applied to the choice of profession when entering the universities; see *Ocherki minuvshago* (Sketches of Time Past) (Belgrade, 1931), pp. 82-83.

to retard the country's economic development. They belonged to the specific *disadvantages* of backwardness and tended to decrease the "tension" that has been discussed in the first section of this essay.

But the role of the intellectuals in backward countries of today is very different from what it used to be in Russia of the past century. They are no longer doomed to inactivity or confined to passive resistance. They can and they do exert a great deal of direct influence. If it is true that the ideas and attitudes of the Russian intelligentsia described here stem largely from the very backwardness of the country, we may ask whether the same patterns are not likely to reproduce themselves in today's countries and to constitute great obstructions to their industrialization. For a number of reasons, the advantages of backwardness in conditions of the twentieth century are not as strong as they were during the nineteenth century. It would augur ill for the prospects of industrial progress of backward countries of our time should it become clear that these *diminished advantages* of backwardness are coupled with *increased disadvantages* of delayed economic development.

In some sense, a belated and precarious reconciliation between intelligentsia and industrial progress was effected in Russia by the Russian Marxism of the eighties and the nineties. There is little doubt that that curious reconciliation itself fits well into the general historical pattern of industrialization in conditions of backwardness. Moreover, it has a natural bearing on the present situation in underdeveloped countries.

ANNEX TO CHAPTER 7

Realism and Utopia in Russian Economic Thought *A Review*

It is not the purpose of these remarks to sum up the preceding papers.¹ This is hardly necessary; each one stands on its own feet. Still less is it intended to take issue with one or another point in the papers. If nothing else, my double role as participant and chairman would effectively bar me from following that course. The purpose rather is to point to certain general problems which are evoked by the foregoing story of ideas on economic development in Russia's intellectual history from Radishchev to Stalin and to discuss them briefly.

The problems I have in mind relate to: (1) the question of continuity and discontinuity in that intellectual history, more specifically the question of whether the changes that could be observed in the closing decades of the nineteenth century, and perhaps even in 1917, were really as far-reaching as one is tempted to assume; (2) an evaluation of the broad significance of the official ideology in Soviet Russia in its relation to the country's economic development; and (3) the general role of ideology in an economic development that proceeds in conditions of considerable backwardness.

As Solomon Schwarz has said in his paper, the Russian Marxians of the 1890s achieved an indubitable victory in their disputes with the populists. In some sense, this is an unexceptional statement. It was certainly a victory within the ideological context of the time. The swing in public opinion was unambiguous. But, viewing that victory half a century or more after the event, one cannot but wonder at its belatedness. It took the magnificent development of the nineties to open the eyes of the intelligentsia to a process that had been going on for almost four decades. Johann Nestroy's immortal "Ah, der Leim!" is indeed apposite here.

Nor was the victory won, strictly speaking, by Marxian theory. As

¹ At the Conference of the Joint Committee on Slavic Studies and the Social Science Research Council at Arden House in March 1954, on continuity and change in Russian thought, this writer reviewed papers by Solomon M. Schwarz ("Populism and Early Russian Marxism on Ways of Economic Development of Russia"), Oliver H. Radkey ("Chernov and Agrarian Socialism Before 1918"), and Alexander Erlich ("Stalin's Views on Soviet Economic Development").

REALISM AND UTOPIA IN RUSSIAN ECONOMIC THOUGHT

I tried to show in my paper,² Marxism lent itself just as well to a rejection as to an acceptance of Russian industrialization. Nikolai —on operated exclusively with weapons fetched from Karl Marx's intellectual armory and Marx did not upbraid him for shooting at the wrong bird. Quite the contrary is true. We may leave open the question of how much Marx's own thoughts on the subject were influenced by the false hope of an impending seizure of power by populist revolutionaries or by his strong German nationalism. What matters here is that the populists were confounded neither by Marx's economics in the strict sense of the word nor by his materialistic conception of history, but by the hard pressure of irrefutable economic fact. That people who were willing to look at those facts a little earlier than their adversaries preferred to appeal to different aspects of Marxian theory and to call themselves Marxians or "Russian students of Marx" should not disguise what actually occurred.

Schwarz's paper aptly points up the importance of published statistics in the conversion process. And equally significant in this respect is what Oliver Radkey has stressed: how easily and how readily Chernov accepted Marxian concepts in their revisionist form for the purpose of constructing his brand of agrarian socialism. Max Weber's famous and oft-repeated phrase — which he borrowed from Schopenhauer — that Marxism is not a hansom from which the Marxians can jump off any time that a discussion of Marxism itself is at stake, inevitably comes to mind here. That Russian Marxism of the nineties was also a "reflection" can be safely asserted, except that what was reflected was not class interests but emotional preferences and predilections of intellectuals as adjusted to a "given" character of economic development in the country.

To have convinced fellow humans on the basis of more than three decades of accumulated experience that barking at the moon did not alter her course was hardly an impressive achievement. By the same token, one need not be overmuch impressed with the specific brand of verbal or conceptual magic used to make the facts palatable. But, in addition, it should also be considered that the victory which had been won remained singularly incomplete. And that seems to be so for a variety of reasons.

In many respects, Stalin, the last link in the series of figures discussed in these papers, constitutes a return to Pososhkov. It is the tragedy of today's Russia that patterns of economic behavior and trains of thought that should have remained confined to long-bygone ages have been revitalized and reproduced in contemporary Soviet reality. But at the same time there is little doubt that a good many specific elements of Russian populism were taken over by the Bolshevik wing of Russian Marxism and reincarnated in Lenin's and Stalin's thought and action.

The reference here is not only to the peasant discontent with which

² Included as Chapter 7 of this volume.

the revolutionary hopes of most, though not all, populists had been connected and which Lenin used so deliberately in designing the strategy of the revolution. Lenin did steal the populist thunder, and the Bolsheviks were brought to power on the crest of a peasant rebellion reaching out for the long-craved-for land of the gentry. But another fact may be equally important. The unwillingness of the populists to accept the economic development in the country in conjunction with autocratic oppression provided the background for a radicalism in thought which kept wavering uneasily between anarchism, on the one hand, and the apotheosis of the omnipotent Jacobinic state, on the other. In practice, it provided the background for the disastrous "race against time," and it created a moral climate that displayed a most complex bundle of contradictory features: the spirit of self-sacrifice, heroism, love of the people, conjoined with the idea that means justified the ends and that any method, from forged imperial manifestoes to murderous conspiracy, was justified in the struggle against the absolute evil of absolutism. That these latter aspects of populism were carried over and absorbed within the fold of Bolshevik thought and practice is undeniable. These considerations, it may be argued, are essentially political in nature, a ground an economist perhaps cannot venture upon with impunity. His only justification in doing so is that the connection between those political aspects and an either profoundly pessimistic or highly utopian view of the populists on the subject of economic development is fairly obvious.

There is, however, another aspect of the basic continuity in Russian thought that is more important from our point of view and bears more directly on our subject. Why was the vehicle of Marxism chosen in order to teach the Russian public opinion a simple lesson in empirical facts? Again Schwarz rightly remarks that as long as "Manchester liberals" or "List protectionists" preached the same simple truth, their sermons fell on deaf ears. It was different in the case of Marxism.

Radkey refers briefly to the problem and states that the intellectuals "did not wish to be caught lagging behind the West, and so could only be socialists." There is something to that explanation. Since the days of the Russian Voltairians, the desire to take over "the last word of Western thought" certainly was widespread in Russia and we have many testimonies, including that of Professor Trubetskoy, that Russian university students of the period did consider Marx "the last word of Western social science." Still, this view is but a part of the whole story. It tends to neglect the whole flow of preceding intellectual history. I do not disagree at all with Radkey when he points at the inchoate and inarticulate character of nineteenth-century populist socialism. But, such as it was, its strength and its influence in forming opinions and conditioning emotions were undeniable. It seems at least plausible to assume that an inevitable shift in public opinion assumed the form of Marxism *because* populism had been its pred-

ecessor. The violence of the literary clashes should not conceal from us the important fact of continuity in Russian intellectual development. Marxism, in preaching acquiescence in industrialization, also showed that the socialist goal need not be relinquished along with the abandonment of the *obshchina*.

But perhaps we may go even a step further and relate the victorious emergence of Russian Marxism to the specific stage of the country's economic development. Just because in viewing the historical processes of industrialization our eyes so often remain riveted to the case of England, there is a tendency to assume that nineteenth-century industrial development was essentially associated with the ideology of economic liberalism. This, however, is far from being the general case. It is, on the contrary, possible to hazard the opinion that the specific ideologies which accompany the process of industrialization tend to vary in accordance with the degree of backwardness in which a given country finds itself on the eve of its great economic upsurge.

I have referred in my paper to the role of Saint-Simonian doctrines in connection with the fine spurt of industrial development which France experienced after the advent to power of Napoleon III. The paradox of a vigorous capitalist development sustained by a group of great entrepreneurs who professed to be fervent adherents of a socialist creed must remain baffling, unless we assume that in a backward country a very strong ideological medicine is needed to overcome the barriers of stagnation and routine and to elicit popular support for a policy which as a rule involves some temporary material sacrifices for large groups of the population and necessarily entails losses in terms of traditional values and beliefs. In the case of Germany, which was still more backward than France, Saint-Simonian doctrines were effectively supplemented, if not supplanted, by placing nationalist ideology in the service of the industrialization process.

That in Russia, which in turn was much more backward than Germany, the same function was performed by the still more virulent doctrines of Marxism seems to fit well into a general European pattern. It is perhaps this connection rather than the long socialist tradition which helps to explain the attraction which Marxian doctrines exercised in the 1890s upon men who, like Struve (and in some sense even Milyukov), neither by temperament nor by general philosophy were predisposed to accept such doctrines. To present the costly and (for those idyllic days) in many ways ruthless process of industrialization not as a deliberate decision but as a product of iron laws of economic development obviously tended to appease the disturbed conscience of the intelligentsia, a group traditionally ridden by guilt complexes of all kinds. They all were "guilty without guilt" — *bez viny vinovatye*, as the Russian phrase goes. For all those successors of the repentant nobleman of the nineteenth century, for the repentant merchant, the repentant factory owner, and particularly the repentant intel-