Commerce, Corruption and Control:
Bolshevik Approaches to Trade, 1917-1923

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Abstract

This thesis studies the Bolshevik party's approaches to trade during the Russian revolution, civil war, and the early years of the New Economic Policy (1917-1923). It adopts three perspectives. One of these is theoretical. It covers the beliefs and stereotypes party members held about capitalist trade, the economic and social roles they attributed to it, and their visions of how goods would be exchanged under socialism. The thesis also considers policy approaches. It examines the steps the party leadership actually took after coming to power to try to shape the way goods were exchanged in the country, whether in a bid to put their theories into reality, or as practical responses to the challenges facing them at the time. Thirdly, the thesis analyses the approaches of party-state functionaries responsible for implementing these policies at ground level. It studies their attitudes towards the central leadership, the ways they understood its directives, and how they attempted to implement them, where indeed, they did so.

The thesis argues that these three perspectives together offer valuable insight into understanding the overall course of the Russian revolution and the emergence of the soviet state. They contribute to the western and Russian historiographies on early soviet trade and the economy, while simultaneously engaging with broader scholarship. The thesis not only contributes to the political and ideological histories of the central party leadership, but also to the scholarship on how Russian regions experienced their own revolutions, and the developing relationship between centre and locality in the years after 1917. This study also engages with wider modern history. It places Bolshevik theory and policy within international intellectual trends that sought moral advancement through rational social organisation.

The thesis is interested in the perspectives of both the central Bolshevik leadership and of the party and state agents responsible for working directly in the trading sphere. For the former, it relies mainly on published documents such as leaders' collected works, books of decrees,

and official transcripts of high-level meetings. For the latter it uses Russian archive materials, especially hitherto unpublished documents from the soviet foreign trade sector. The thesis conducts two case studies of Petrograd party and state apparati dedicated to running and regulating overseas commerce in the early 1920s.

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Abbreviations

Cheka - Extraordinary Commission for Combating Counter-Revolution, Speculation and Sabotage (*Chrezvychainaia Kommissia po Bor'be c Kontrrevoliutsiei, Spekuliatsiei i Sabotazhem*). In 1922, the Cheka's name was changed to the State Political Administration (*Gosudarstvennoe Politicheskoe Upravlenie*); the thesis uses the abbreviation **GPU**.
Gosplan - State Planning Committee (*Gosudarstvennyi Planovyi Komitet*).

Gostorg - State Import-Export Bureau (*Gosudarstvennaia Eksportno-Importnaia Kontora*). The thesis refers to Moscow and the North-Western branches of Gostorg as **MGT** (*Mosgostorg*) and **SZGT** (*Severo-Zapadnyi Gostorg*) respectively.

IVS - Inspectorate of External Relations (*Inspektorat Vneshnikh Snoshenii*). A department of Rabkrin.

Khozraschet - Commercial Accounting (*Khoziaistvennyi Raschet*). An economic policy introduced in 1921.

Kombedi - Committees of the Poor (*Komiteti Bednoti*).

Narkomat - People's Commissariat (*Narodnyi Kommissariat*). The head of a People's Commissariat, a People's Commissar, is referred to as a **Narkom** (*Narodnyi Kommissar*).

Narkomfin - People's Commissariat for Finances (*Narodnyi Kommissariat Finansov*).

Narkomindel - People's Commissariat for Foreign Affairs (*Narodnyi Kommissariat Innostrannykh Del'*).

Narkomprod - People's Commissariat for Supplies (*Narodnyi Kommissariat Prodovolstviia*).

NarkomTiP - People's Commissariat for Trade and Industry (*Narodnyi Kommissariat Torgovli i Promyshlennosti*).

NEP - New Economic Policy (*Novaia Ekonomicheskaia Politika*).

Rabkrin - The Workers' and Peasants' Inspectorate (*Raboche-Krest'ianskaia Inspektsiia*).

RSFSR - The Russian Soviet Federative Socialist Republic (*Rossiiskaia Sovetskaia Federativnaia Sotsialisticheskaia Respublika*).

Sovnarkom - Council of People's Commissars (*Sovet Narodnykh Komissarov*).

Torgpredstva - Trade Representations (*Torgovie Predstavitel'stva*). These were Soviet representations overseas. Singular: **Torgrpredstvo**.

Tsentrosoiuz - Central Union of Consumer Societies (*Tsental'nyi Soiuz Potrebitel'skikh Obshchestv*).

TsKK - Central Control Commission of the Russian Communist Party (bolsheviks) (*Tsentral'naia Kontrol'naia Komissiia Rossiiskoi Kommunisticheskoi Partii (bolsheviki*).

Vesenkha - Supreme Council of the People's Economy (*Vysshii Sovet Narodnogo Khoziaistva*).

Vneshtorg - People's Commissariat for Foreign Trade (*Narodnyi Kommissariat Vneshnei* Torgovli). The Petrograd department of Vneshtorg is referred to as **Petrovneshtorg**.

VTsIK - All-Russian Central Executive Committee (*Vserossiiskii Tsentral'nyi Ispolnitel'nyi Komitet*).

Archival Abbreviations

AVP RF - The Archive of Foreign Policy of the Russian Federation (*Arkhiv Vneshnei Politiki Rossiiskoi Federatsii*).

GARF - State Archive of the Russian Federation (*Gosudarstvennyi Arkhiv Rossiiskoi Federatsii*).

RGAE - Russian State Archive of the Economy (*Rossiiskii Gosudarstvennyi Arkhiv Ekonomiki*).

RGASPI - Russian State Archive of Social and Political History (*Rossiiskii Gosudarstvennyi Arkhiv Sotsio-Politicheskoi Istorii*).

TsGA SPb - Central State Archive of Saint-Petersburg (*Tsentral'nyi Gosudarstvennyi Arkhiv Sankt-Peterburga*)

TsGAIPD SPb - Central State Archive of Historical-Political Documents of Saint-Petersburg (*Tsentral'nyi Gosudarstvennyi Arkhiv Istoriko-Politicheskikh Dokumentov Sankt-Peterburga*).

Notes

Dates

All dates conform to conventional western dates unless specified otherwise. Use of the Old Style (Julian) calendar is signified by '(OS)' after the date. The Julian calendar ran thirteen days behind the Gregorian calendar used in Western Europe. The Gregorian calendar was adopted in Russia on the day following the 31st January 1918 (OS), which became the 14th February. The thesis refers to the revolutions of 1917 as their well-known names February and October (rather than March and November).

Translations/Transliterations

Unless noted, all translations are my own. Translations are provided for all Russian terms in order to make this study accessible to non-Russian speakers. Transliterations have been made using the Library of Congress system, except in the case of well-known names with familiar spellings, such as Trotsky and Dostoevsky. Plural forms of transliterated nouns carry the Russian endings 'i' or'y' (or in the case of torgpredstvo, 'a') rather than the English 's'. When terminology is important or when there are multiple options for translation, the Russian word is transliterated in the footnotes.

I have included present-day equivalents for Russian Imperial measurements throughout. The most frequently cited measurement is the *pud* (1 *pud* = 16.38 kilograms).

Archival references

Documents consulted in Russian archives are categorised by their collection *fond* (f.), section *opis'* (op.), file *delo* (d.), and page number *list* (l.) Overleaf of a *list* is denoted with an 'a' after the number.

Introduction

This thesis traces the Bolsheviks' views, policies and actions on trade as they went from a radical underground movement to the rulers of the Russian state.

In November 1917, a party of Marxist revolutionaries known as the Bolsheviks, supported by a section of the population, emerged to wield power in a Russia crippled by economic and political crisis. Their leader, Vladimir Lenin, aimed to create a platform for international socialist revolution in Russia. Many party leaders believed they were working towards the creation of a new world, free from poverty and oppression and distinguished by fairness and equality.

Over the following three years the Bolsheviks fought fearsome odds to establish their authority over the country. The proletariat did not rush to their aid and huge sections of the population turned against them. Meanwhile the revolution failed to spread abroad and western powers sent armies to crush Soviet power. Along the way the Bolsheviks adapted their path to socialism dramatically. Instead of a dictatorship of the proletariat, a dictatorship of the party coalesced. The leadership believed that through imposing its will by force it could safeguard the revolution and advance the socialist cause until a more favourable political juncture emerged. However the Soviet project proved not to be the foundation of world revolution, but instead the foundation for a totalitarian personal dictatorship.

Understanding the Bolsheviks' approaches to trade is crucial to making sense of this period. This thesis uses the following definition of trade: the exchange of goods (buying or selling for money or the bartering of items) motivated by the pursuit of a certain party's (or certain parties') sectional interests.[1] A party can be an individual person,

[1] Although of course, it can be argued from a capitalist perspective that trade benefits not only certain parties, but the wider economy, as individual competition stimulates overall economic growth. Indeed for Lenin this was the whole point of the khozraschet policy: through learning to compete the state would be able to rebuild the economy.

such as a shopkeeper or a street pedlar. It can also be a larger entity such as a trading firm, a co-operative, a state-owned commercial enterprise, or even a whole nation.[2] For Lenin, correctly organised goods exchange was the essence of a socialist society.[3] Looking at the revolution through the prism of trade sheds new light on why Lenin believed the time was right for an insurgency in autumn 1917, what the party's aims were once in power and how it sought to achieve them. Studying the formulation of Soviet trade policy and the Bolsheviks' attempts to implement it reveals a lot about why they were unable to achieve their initial aims. Finally, the way the party leadership reacted to its early trading failures provides insight into how it understood itself, society, the state, and the revolution itself.

This thesis asks three main research questions. What ideas and theories did Bolsheviks have about trade and traders? What was the relationship between these theories and Soviet policy in the first years after the revolution? How and to what extent were these policies implemented at local level? The thesis focuses on the period 1917-1923. It was in the months leading directly up to the October revolution that Bolshevik theorists first became seriously interested in matters of goods exchange. They were inspired by Russia's food-supply crisis during the First World War, state attempts to address it, and the increasing growth and unification of the co-operative movement.[4] By the time of the revolution, Lenin had become convinced of the correct strategy on trade,

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Nevertheless, the present definition aims to distinguish such goods exchange motivated by sectional interest (classified as trade) from the truly selfless system of exchange Bolshevik theorists believed would arise as part of a socialist economy.

[2] This thesis also uses the term commerce as a synonym for trade.

[3] Lenin consistently argued that a system of distribution built on the model of the consumer co-operative movement would be socialism itself: "..in a society where all industry and land is socialised, and where it spreads to the whole society, the co-operative IS socialism" (V.I. Lenin, 'Original Version of the Article "The Immediate Tasks of the Soviet Government"' (Dictated 28th March 1918), *Collected Works,* vol.27 (Moscow, 1965), pp.215-217); "The socialist state can arise only as a network of producers' and consumers' communes" (Lenin, 'The Immediate Tasks of the Soviet Government' (Published 28th April 1918); *Collected Works,* vol.27, p.255); "Socialist society is one single co-operative", and "...socialist economic organisation is impossible without a network of co-operative organisations" (both from Lenin, 'Speech Delivered to a Meeting of Delegates from the Moscow Central Workers' Co-operative', 26th November 1918, *Collected Works,* vol.28 (Moscow, 1965), pp.199 and 200 respectively).

[4] See Chapter 1, Part 2 of this thesis.

and this would influence him heavily for the rest of his years.[5] His outlook had, however, been shaped significantly by his experiences before 1917, and therefore this thesis also reflects on his earlier political career. By the end of 1923 a dramatic transformation in Bolshevik approaches to trade had taken place. The policy and legal frameworks that were now in place were not fundamentally altered again until the late 1920s. After a shaky start the New Economic Policy (henceforth NEP), with its dual economy of private and state traders, had taken hold and was meeting with its first successes.[6] The 1923 Civil Code marked an important step in formally legitimising the hitherto legally ambivalent status of the private sector.[7] Furthermore 1923 marked a significant turning point in the nature of the party itself. By the end of this year it had virtually completed its transformation from a relatively open forum for discussion and debate to a hierarchical bureaucracy for executing the orders of the Politburo.[8]

Outline of Scope

This thesis traces how by 1917 the Bolshevik leadership came to view capitalist trade as an inherently corrupt phenomenon that would soon be wiped out by an international socialist revolution. It would be replaced by a universal network of consumer communes. These were to be local organisations allowing communities to administer the production, exchange and consumption of all goods. The thesis looks at how, on taking power in Russia, the Bolsheviks encouraged the population to organise themselves into such communes, utilising existing co-operatives and private shops as a foundation. In practice, many regional authorities just looted stores and harassed their staff, and individuals increasingly turned to street peddling to survive. Furthermore, the revolution failed to spread abroad. The Bolsheviks had banked on Soviet Russia

[5] See Chapter 1, Part 1 of this thesis.
[6] A.M. Ball, *Russia's Last Capitalists: The Nepmen, 1921-1929* (Berkeley, 1987), pp.39, 90-91.
[7] As did the Criminal Code issued the year before. See Chapter 4 of this thesis, section 'Controlling the Private Trader'.
[8] R. Service, *The Bolshevik Party in Revolution: A Study in Organisational Change, 1917-1923* (London and Basingstoke, 1979), pp.183-184. Also see pp.20-21, 118-119, 222-224, 248-249 of this thesis.

consolidating its goods exchange system through linking up with the more advanced western economies.

The thesis considers how party chiefs responded to these unforeseen developments. From spring 1918 the Soviet leadership embarked on a series of policies asserting the power of the central state in an unsuccessful bid to protect and co-ordinate shops and co-operatives, and to liquidate petty private trade. From autumn the Kremlin moved to create new state concerns to replace Russia's ruined commercial infrastructure and encouraged Bolsheviks to learn how to run them. As for the pedlars, the party increasingly turned to a policy of toleration and regulation. These policies would culminate in the NEP, introduced in 1921. However, the Bolsheviks feared that the new commercial sphere would eat away at the socialist foundations of the government. The thesis examines how the Kremlin attempted to monitor the bureaucracies it had created to conduct trade by bringing to life additional bureaucracies dedicated to regulating them. This facilitated a divergence of opinion within the party. Some Bolsheviks were directly involved in trade themselves and believed in capitalist methods as the quickest way to rebuild the Russian economy. Others prioritised controlling trade, fearing a restoration of a bourgeois political order. The thesis traces the outcome of this discord, and offers new insights into the outcome of the revolution itself.

Commerce, Corruption and Control

Despite the importance of trade to understanding the Russian revolution and its aftermath, only a few western scholars have undertaken to study it in a sustained manner. This scholarship emerged in the late 1980s and early 1990s as a response to events in the Soviet Union. Seeking a way out of an economy of stagnation and shortages, Gorbachev and his advisers looked back to the NEP, which had allowed the economy to stabilise following the disastrous effects of seven years of constant warfare. In 1987 the Supreme Soviet permitted citizens to form co-

operatives.[9] To all intents and purposes these were private businesses, though the name offered a fig leaf of ideological validity. Then in March 1990 the Kremlin went a step further and directly legalised small commercial enterprises.[10] Intrigued by these developments, a few western historians started studying early Soviet trading policies, largely in a bid to determine whether the Soviet Union had any hope of saving itself.[11] Leading the way was Alan Ball, with several articles in the mid 1980s, culminating in a book, *Russia's Last Capitalists: the Nepmen, 1921-1929,* published in 1987.[12] Ball split his analysis between focussing on Soviet policy towards private entrepreneurship and the reaction of the nepmen, which he defined as anybody engaged in any private economic activity besides peasant farming.[13] Ball emphasised the distrust and fear Soviet policy-makers felt towards the nepmen on the one hand, and the ability of the latter to be more competitive than state rivals on the other. Noting many similarities between these dynamics and the early results of the Gorbachev reforms, he predicted a 'turbulent' future for the Soviet economy in the coming years.[14] Similar in scope to Ball's book is the scholarship of Arup Banerji, based on his 1988 doctoral thesis later published as *Merchants and Markets in Revolutionary Russia, 1917-30.*[15] While Banerji came to the same conclusions as Ball that the treatment of private traders by Soviet authorities was coloured by innate fear and hostility, Banerji argued that these fears were paranoid, stressing the negligible role private traders actually played in the economy.

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[9] Ball, *Russia's Last Capitalists,* p.ix.
[10] Ball, *Russia's Last Capitalists,* p.ix.
[11] Most Soviet scholarship on the subject was written during the mid 1960s, around the time of Kosygin's 1965 reform, which also, though to a less radical extent, contemplated market measures and decentralisation. For example it aimed to reduce the role of the state from administering the economy directly to merely guiding semi-independent state enterprises: G.L. Rubinshtein, *Razvitie Vnutrennei Torgovli v SSSR* (Leningrad, 1964); G.A. Dikhtiar, *Sovetskaia Torgovlia v Period Postroeniia Sotsializma* (Moscow, 1961); V.P. Dmitrenko, 'Nekotorye Itogi Obobshchestvleniia tovarooborota v 1917-1920 gg.', *Istoricheskie Zapiski* 79, 1966; 'Bor'ba Sovetskogo Gosudarstva Protiv Chastnoi Torgovli', in S.S. Khesin (ed.), *Bor'ba za Pobedu i Ukreplenie Sovetskoi Vlasti, 1917-1918* (Moscow, 1966) .
[12] A. Ball, 'Lenin and the Question of Private Trade in Soviet Russia', *Slavic Review*, 43 (3), 1984; A. Ball, 'NEP's Second Wind: 'The New Trade Practice'', *Soviet Studies*, 37 (3), 1985, pp.371-385; Ball, *Russia's Last Capitalists.*
[13] Ball, *Russia's Last Capitalists,* p.xvi. See pp.181-182 of this thesis for further discussion of nepmen.
[14] Ball, *Russia's Last Capitalists,* p.172.
[15] A. Banerji, *Merchants and Markets in Revolutionary Russia, 1917-30* (Basingstoke, 1997).

While Ball and Banerji were interested primarily in the NEP years themselves, Lars Lih's book *Bread and Authority in Russia, 1914-1921* focussed on the period leading up to it.[16] Like Ball and Banerji, Lih analysed the relationship between the Soviet state and traders. For Lih this was part of a broader concern with how successive Russian governments grappled to supply the population with food throughout the First World War, revolution and civil war. He argued that food-supply policy is central to understanding both the breakdown of political authority and the way the Bolsheviks were subsequently able to reconstitute it. The most recent work to look in depth at Bolsheviks' approaches to commerce is Julie Hessler's 2004 book *A Social History of Soviet Trade*, based on doctoral research conducted in early 1990s.[17] Making use of newly available archive materials, Hessler produced a sweeping study tracing trade policy from the revolution to the end of the Stalin period, noting a continuous cycle of 'crises' and 'recovery' regimes. Hessler argued that the Soviet government tended to go into planned mode to avert crises, and market mode to recover from them.[18]

This thesis builds on this important scholarship in several ways. Concurring with Ball and Banerji's claims that many Bolshevik leaders were haunted by an obsessive fear and hatred of capitalist traders, it explores the root of these sentiments. At its base was not only the abstract Marxist tenet that the capitalist isolated the workers from the products of their own labour. A moral aversion towards the trader had long been wrapped up in the radical intelligentsia's own self-image. They saw the merchant as the antithesis of themselves and the epitome of the worst bourgeois values such as individualism, greed and narrow-mindedness.[19] They also considered him to be inherently corrupt, as they believed that traders' profits were always gained through other people's

[16] L.T. Lih, *Bread and Authority in Russia, 1914-1921* (Berkeley, 1990). A similar timeframe has been adopted Maurice Borrero (*Hungry Moscow: Scarcity and Urban Society in the Russian Civil War, 1917-1921* (New York and Oxford, 2003)), though his focus is more on the survival strategies of individuals, groups and organisations than Soviet policy or ideology.
[17] J. Hessler, *A Social History of Soviet Trade* (Princeton, 2004).
[18] Like Ball and Banerji, Hessler also adopts a dual perspective. Half of the book focuses on trade policy, the other on peoples' everyday experiences of trade.
[19] See pp.57-64 of this thesis.

misery. In times of peace the shopkeeper merely tricked and overcharged his customers. In times of crisis he hoarded and profiteered, pushing his fellow citizens to the brink of starvation. Bolsheviks emphasised the moral rather than the legal corruption of the trading sphere.[20] They did not put a great deal of stock in the concept of law, seeing in it an instrument of the bourgeoisie to justify and consolidate its wealth and power over the proletariat.[21] It was only in the early 1920s with attempts to regularise the economy that the party came to identify immoral trading activities as legally criminal offences.[22] The Bolsheviks' view of traders as a source of moral corruption fed into an epidemiological view of society. They feared that the diseased mentality of the petty trader would spread and infect the proletariat, making the victory of socialism impossible and heralding the return of a capitalist economy.[23]

The present thesis breaks with most of this historiography and much of the wider scholarship on the revolution and civil war by arguing that the main thrust of Bolshevik trade policy throughout the period was concerned with merely regulating the commercial world. It argues that many scholars have exaggerated the extent to which the Bolsheviks desired to wipe out private trade and statise goods exchange during the civil war.[24] When Bolshevik leaders spoke of workers' or state 'control' over enterprises, they used the Russian word *kontrol'*, meaning checking and supervising, rather than actually taking over the management and

[20] They tended to use the Russian noun *razvrat* (adj. *razvrashchennyi*) meaning: "Moral depravity, low moral level of behaviour or attitude" (from an online version of the Russian 'Ozhegov' dictionary: http://что-означает.рф/разврат). For example in this quote by the chief of soviet foreign trade Leonid Krasin: "Foreign trade is the most heated and dangerous front in our struggle with the bourgeoisie. We have to work in the most corrupt [razvrashchennoi], speculative and greed-driven environment". There was not a widely fixed term for legal corruption at this time. The word 'korruptsia' was only adopted from English during the 1920s (https://etymological.academic.ru/2217/коррупция [accessed 07.06.2019].
[21] See Chapter 4 of this thesis, section 'Controlling the Private Trader'.
[22] See Chapter 4, Part 2 of this thesis, and also section 'Controlling the Private Trader'. On legal corruption under Soviet rule see J. Heinzen, *The Art of the Bribe: Corruption under Stalin, 1943-1953* (New Haven and London, 2016).
[23] See pp.83-89, 117 of this thesis.
[24] See pp.95-98, 121 of this thesis.

administration.[25] The only form of private trade they wished to liquidate was that conducted by the smallest entrepreneurs such as the individual speculators and bagmen, people who roamed the countryside trying to exchange manufactured goods for food. This was because party chiefs considered them to be impossible to regulate or co-ordinate. As for bigger enterprises, Lenin had initially intended for these to be supervised by the proletariat, though the latter soon had to be substituted by party-state apparati. For him, the question of whether an enterprise should be state or privately owned was a secondary matter. The main concern was whether it was under the supervision and direction of the correct revolutionary forces and could be utilised for the good of the Soviet project.

This interpretation has significant implications for periodising early Soviet history. Scholars have often seen goods exchange as a crucial factor distinguishing the 'War Communism' of 1918-1921, an alleged drive towards a super-centralised, militarised and nationalised economy, from the NEP, a return to private enterprise.[26] This thesis finds an alternative model put forward by Lih more persuasive.[27] Challenging the concept of War Communism, Lih split the civil war period itself into two. He identified a short period between spring and autumn 1918 when the Kremlin adopted coercive policies as a temporary way to beat off alleged class enemies who were harming the economy. As the realisation dawned that these were failing, it turned to longer-term policies which would eventually culminate in the NEP, such as the tolerance of small-scale market activity and bureaucratic (rather than martial) means of regulating the economy. This periodisation is useful for conceptualising the Bolsheviks' changing approaches to supervising trade during the early Soviet period. This thesis builds on Lih's model by adding the much overlooked sphere of foreign trade to the picture.[28] Using previously

[25] On the concept of 'control' see p.42 of this thesis. To reflect this nuance, this thesis will generally adopt the expression 'assert control over' as opposed to the more natural English formulation 'take control of'.
[26] See pp.95-98, 119-121, 174 of this thesis.
[27] Lih, *Bread and Authority*; Lih, 'The Mystery of the ABC', *Slavic Review*, 56 (1), 1997; Lih, 'Bolshevik *Razverstka* and War Communism', *Slavic Review,* 44(4), 1986.
[28] There is almost no western scholarship on Soviet foreign trade. One exception is A. Heywood, *Modernising Lenin's Russia. Economic Reconstruction, Foreign Trade and the*

classified archival materials, it argues that economic policies usually thought to have emerged during and after 1921 were already being implemented in 1920 (considered by many to be the apogee of War Communism) when the Soviet government prepared for extensive collaboration with western powers. These included a willingness to collaborate with private capitalists on more equal terms than before, and to let out Soviet enterprises to them, the creation of bureaucratic apparati to regulate these endeavours, and generally treating commerce as a science and endeavouring to learn it from specialists.

The Bolshevik Party

In terms of its structure and purpose the party changed dramatically over this period from a group of underground radicals to a colossal bureaucratic ruling apparatus comprising millions of people.[29] Therefore this thesis takes a shifting approach in its understanding of 'the Bolsheviks'. In analysing the period of the revolution and the early civil war, the thesis focuses primarily on the approaches of the party leadership. This is because at this time there was no coherent or organised party membership beyond this small group of full-time activists.[30] Before 1917 this core identified itself as the party proper, as distinct from the wider workers' movement.[31] Following the February Revolution the Bolsheviks opened themselves up to mass membership, by October reaching the 250,000 mark.[32] However these new recruits tended to lack commitment to the party or awareness of its ideology.

Railways (Cambridge, 1999), which looks at Soviet imports of railway materials in 1920. Soviet historiography has demonstrated more interest in the subject, and the works of Valerii Shishkin are still relevant (V.A. Shishkin, *V.I. Lenin i Vneshne-Ekonomicheskaia Politika Sovetskogo Gosudarstva (1917-1923 gg.)* (Leningrad, 1977); V.A. Shishkin, *Sovetskoe Gosudarstvo i Strana Zapada v 1917-1923 gg.* (Leningrad, 1969).

[29] This shift is traced in the following works: R. Sakwa, *Soviet Communists in Power: A Study of Moscow during the Civil War, 1918-21* (Basingstoke, 1988); Service, *The Bolshevik Party*. See also S. Pirani, *The Russian Revolution in Retreat, 1920-24: Soviet Workers and the New Communist Elite* (London, 2008).

[30] C. Read, *War and Revolution in Russia, 1914-22*: *The Collapse of Tsarism and the Establishment of Soviet Power* (Basingstoke and New York, 2013), pp.105-106; J.D. White, *Lenin: The Practice and Theory of Revolution* (Basingstoke, 2001), pp.178-179.

[31] On early party structure and activities see L.T. Lih, *Lenin* (London, 2011), pp.64-72; C. Read, *Lenin: A Revolutionary Life* (Abingdon and New York, 2005), pp.56-57; S. Fitzpatrick, 'The Bolsheviks' Dilemma: Class, Culture and Politics in the Early Soviet Years', *Slavic Review*, 47 (4), 1988.

[32] Read, *Lenin*, p.210.

Most identified with it only so far as its policies promoted their immediate aims, such as transferring power from the Provisional Government to the soviets, undergoing land redistribution and quitting the war.[33] The first year of Soviet rule was subsequently marked by a lack of communication and understanding between the mass movement and the Bolshevik leadership. Then a new party structure began to coagulate as both central and local activists sought to co-ordinate their actions. This would evolve into an organised hierarchy of bureaucrats, appointed by and answerable to the central leadership, the Politburo, and responsible for administering and regulating all aspects of the Soviet state.[34] In the chapters dedicated to the period from 1920 onwards, the thesis considers not only the central leadership's attitudes towards trade, but also the perspectives of Bolsheviks working within this emerging bureaucracy, especially those directly responsible for commercial matters.

For the period leading up to the October Revolution, the thesis focuses on Lenin's views. Bolshevism was ultimately born out of Lenin's insistence on having his own way.[35] The manner of its birth set the tone for how policy was formulated right up until October. Fiery, persistent and convinced of the correctness of his own views, Lenin could not tolerate alternative viewpoints. This had the effect of pushing out persistent adversaries and turning the party into an organisation ideologically subordinate to him personally.[36] A newcomer to the movement, Nikolai Valentinov, noted in 1905 with some disgust how other Bolsheviks hero-worshipped Lenin and referred to him as a *starik,* a

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[33] Read, *Lenin*, pp.180-181, 209-210; Read, *War and Revolution,* pp.102, 105-107, 120-121; Service, *The Bolshevik Party,* ch.2.
[34] On this shift see Pirani, *The Russian Revolution*; Sakwa, *Soviet Communists*; Service, *The Bolshevik Party*; Fitzpatrick, 'The Bolsheviks' Dilemma'. Also see C. Read, *From Tsar to Soviets: The Russian People and Their Revolution, 1917-21* (London, 1996), pp.211-218.
[35] He caused the Social Democratic Party to split into Bolshevism and Menshevism when he refused to accept his comrades' interpretation of party membership.
[36] Read, *War and Revolution*, p.184; B. Williams, *Lenin* (Harlow, 2000), pp.32, 205. Furthermore several historians have emphasised the centrality of Lenin's thought to Bolshevik theory. see N. Harding, *Leninism* (Basingstoke and London, 1996), p.91; M. Liebman, *Leninism under Lenin.* Trans. B. Pearce (Pontypool, 1980), p.25; A.B. Ulam, *Lenin and the Bolsheviks: The Intellectual and Political History of the Triumph of Communism in Russia* (London, 1965), p.vii. Examples of Bolsheviks who felt obliged to retire following irreconcilable differences with Lenin include Leonid Krasin and Alexander Bogdanov.

holy old wise man from Russian folklore.[37] Furthermore, of the main Bolshevik thinkers, Lenin was the most concerned with questions of trade and goods exchange. In his early career he traced the evolution of commerce as part of a wider attempt to study the development of capitalism in Russia.[38] Then, during the First World War and especially during 1917 he began to consider how trade would evolve further following a revolution.

Lenin and Consciousness

As the food-supply crisis crippled Russia from 1914, Lenin noted how communities banded together to organise their own strategies to procure and share food, in the form of co-operatives and other mutual-aid societies. He interpreted this as fundamentally revolutionary behaviour, and predicted that with the removal of the existing 'bourgeois' Provisional Government, communities would naturally go on to expand their efforts to form a unified network of consumer communes, the foundation of a socialist economy.

Lenin's prediction has important implications for long-standing historiographical debates on the nature of 'Leninism'. Throughout the ideologically charged twentieth century, historians at both ends of the political spectrum showed a close interest in Lenin as a revolutionary theorist and tried to crystallise his views into a political doctrine, a 'Leninism'.[39] At one extreme this was a condemnation of Marxism and revolution in general, on the grounds that it inexorably leads to bloody dictatorship.[40] Others sought to salvage from Lenin's ideas some implications to inform popular democratic movements for the future.[41]

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[37] N. Valentinov, *Encounters with Lenin.* Trans. P. Rosta and B. Pearce (London, 1968), p.40.
[38] See Chapter 1, Part 1 of this thesis.
[39] For insightful summaries of the Lenin historiography see Read, *Lenin,* pp.283-287, 300-302; L.T. Lih, 'How a Founding Document was Found, or One Hundred Years of Lenin's What is to be Done?', *Kritika: Explorations in Russian and Eurasian History* 4 (1), 2003.
[40] B.D. Wolfe, *Three Who Made a Revolution: A Biographical History* (Harmondsworth, 1966); A.G. Meyer, *Leninism* (Cambridge, Massachusetts, 1957); L. Schapiro, *The Origin of the Communist Autocracy: Political Opposition in the Soviet State, First Phase, 1917-*

The debates centred around Lenin's understanding of the proletariat's potential for achieving revolutionary or class consciousness. Lenin himself was hazy about what consciousness entailed. Historians have generally concurred, albeit with various nuances, that he meant an awareness that worker exploitation was not merely due to individual bad employers but was in fact inherent to the capitalist system.[42] Gaining consciousness implied realising the need to overthrow the capitalist government and transform the economy into a socialist system. In accounts sympathetic to Lenin, he believed in simply imparting consciousness to workers, allowing them to go on to make their own revolution.[43] For others, Lenin was cynical about the masses' ability to ever achieve this state of awareness and he believed they would always have to be led by the Bolshevik vanguard, making the party dictatorship that ensued an inevitability.[44]

With the opening of the former Soviet archives in the 1990s, a lot of information became available to historians that the authorities had previously kept secret. Several documents emerged from the civil war in which Lenin spoke with scant regard for human life. These formed the basis of a new cruder version of the cynical Lenin interpretation, portraying him as little more than a power-hungry evil genius.[45] Over the

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1922, 2nd ed. (London, 1977); Ulam, *Lenin and the Bolsheviks*; L.H. Haimson, *The Russian Marxists and the Origins of Bolshevism* (Cambridge, Massachusetts, 1955); R.V. Daniels, *The Conscience of the Revolution: Communist Opposition in Soviet Russia* (Oxford, 1960); M. Fainsod, *How Russia is Ruled* (Cambridge, Massachusetts, 1953).

[41] Liebman, *Leninism*; N. Harding, *Lenin's Political Thought* (London, 1981).

[42] For definitions of consciousness see I. Halfin, *From Darkness to Light: Class, Consciousness, and Salvation in Revolutionary Russia* (Pittsburgh, 2000), pp. 6-7; K. Clark, *The Soviet Novel: History as Ritual*, 3rd ed. (Bloomington, 2000), p.15; Read, *War and Revolution,* p.7; Read, *Lenin,* p.290; Fitzpatrick, 'The Bolsheviks' Dilemma', p.602.

[43] Liebman, *Leninism,* pp.148-149; 195-199; 215-216.

[44] Meyer, *Leninism,* pp.29-34; J. Keep, 'Lenin as Tactician', in L. Schapiro, P. Reddaway, and P. Rosta (eds.), *Lenin: The Man, the Theorist, the Leader: A Reappraisal*, (London, 1967), pp.135-136, 141; Ulam, *Lenin and the Bolsheviks,* pp.178-179; H. Shukman, *Lenin and the Russian Revolution* (London, 1966), p.8.

[45] Richard Pipes in particular emphasised a maniacal disregard for human life on Lenin's part: R. Pipes (ed.), *The Unknown Lenin: From the Secret Archive* (London and New Haven, 1996), pp.8, 10-11. Robert Service characterised Lenin as dishonest (R. Service, *Lenin: A Biography* (Cambridge, Massachusetts, 2000), p.330 and Part 3., ch.17) and Dmitri Volkogonov claimed he set an example of "merciless terror" (D. Volkogonov, *Lenin: Life and Legacy.* Trans. H. Shukman (London, 1995), p.82. The opening of the archives also led to the emergence of an interest in the practical details of Lenin's life often divorced from any sustained consideration of his worldview. For example see Service, *Lenin* and more recently, R. Carter Elwood, *The Non-Geometric Lenin: Essays on*

course of the following decade, several scholars sought a more balanced perspective, bringing the emphasis back to Lenin's theory and policies, and placing his actions within this context.[46] Most have agreed that Lenin did not intend to achieve power through a party coup, but that, at least by 1917, he believed in popular revolution.

Lenin's writings on goods exchange support this argument. He found proof in the communal attempts at food supply that people were conscious enough to take political power themselves. Therefore he envisaged the party merely monitoring and co-ordinating their endeavours through the local soviets. Following the revolution, when the majority did not act as Lenin had expected, but resorted to bagging, speculation and looting, he concluded that none of these individuals were in fact conscious after all. The party's self-image as the indisputable fount of consciousness, together with its latent penchant for disciplined, centralised authority, gave it the perceived temporary right to rule over the population and coerce it into 'correct' behaviours until it learned for itself.[47]

Ideology vs. Contingency and the Soviet State

This attitude fostered the rise of the centralised and coercive state which would prove the defining feature of Soviet history right up to the collapse of the union in 1991. The question of whether its emergence was dictated by the Bolsheviks' ideology or whether it was an unplanned outcome of their attempts to protect the revolution after 1917 has proved one of the dominant historiographical debates of modern Russian history.[48] During the Cold War, many western scholars emphasised the

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the Development of the Bolshevik Party 1910-1914 (London and New York, 2011); C. Merridale, *Lenin on the Train* (London, 2016).

[46] Lih, 'How a Founding Document was Found'; L.T. Lih, *Lenin Rediscovered: What Is To Be Done? In Context* (Leiden, Boston, 2006); Lih, *Lenin*; Read, *Lenin*; Williams, *Lenin*; White, *Lenin*; A. Krylova, 'Beyond the Spontaneity-Consciousness Paradigm: "Class Instinct" as a Promising Category of Historical Analysis', *Slavic Review,* 62 (1); 2003. The collapse of the USSR meant the removal of some of the ideological pressures influencing Cold War era works.

[47] See Chapter 2 of this thesis, section 'Left Opposition and the Question of Local Autonomy'.

[48] For a clear and concise summary of this historiography see S.A. Smith, 'Two Cheers for the Return of Ideology', *Revolutionary Russia*, 17 (2), 2004.

authoritarian strands in Bolshevik thought, an approach which would later become known as the totalitarian school.[49] These scholars found in the so-called War Communism policy, with its alleged attempts to nationalise and centralise all economic and political activities, an early attempt to implement Bolshevik theory, which was then perfected under Stalin as full-blown totalitarianism.

Between the 1960s and 1980s a new generation of scholars challenged this narrative. They were influenced by the growing field of social history, and encouraged by reforms in the Soviet Union such as de-Stalinisation, Detente, and later Perestroika and Glasnost. These historians, who would become known as the revisionists, sought to portray the Russian revolution as a genuinely popular upheaval. They argued that the Soviet government only ended up resorting to repressive measures in order to survive the brutal civil war and the revolution's failure to spread overseas.[50] However, the opening of the Russian archives in the 1990s revealed that ideology had in fact played a significant role in policy formulation throughout the Soviet period. For the first time, historians saw that even in closed meetings leaders took ideological considerations seriously when making their decisions.[51] Subsequently, many scholars have come to a more balanced view. They have accepted that the dictatorial party-state was the product of a series of emergency decisions the Bolsheviks made to stave off collapse, while also emphasising that their ideology influenced how they made these decisions.[52]

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[49] Classic examples include L. Schapiro, *The Origin of the Communist Autocracy: Political Opposition in the Soviet State, first phase, 1917-1922*, 2nd ed. (London, 1977) and R.V. Daniels, *The Conscience of the Revolution: Communist Opposition in Soviet Russia* (London, 1960). Also see the works listed on pp.22-23, footnote 40 of this thesis.
[50] For example S.F. Cohen, *Rethinking the Soviet Experience: Politics and History since 1917* (New York and Oxford, 1985); M. Lewin, *Lenin's Last Struggle* (London, 1975); D.P. Koenker, W.G. Rosenberg, and R.G. Suny (eds.), *Party, State, and Society in the Russian Civil War*: Explorations in Social History (Bloomington, 1989); D.P. Koenker, *Moscow Workers and the 1917 Revolution* (Princeton, 1981); also S.A. Smith, *Red Petrograd: Revolution in the Factories 1917-1918* (Cambridge, 1983); Fitzpatrick, 'The Bolsheviks' Dilemma'.
[51] Smith, 'Two Cheers', p.121.
[52] Examples include S. Malle, *The Economic Organization of War Communism 1918-1921* (Cambridge, 1985), pp.24-25; R.E. Zelnik, 'Commentary: Circumstance and Will in the Russian Civil War', in Koenker, Rosenberg and Suny (eds.), *Party, State, and Society*; Fitzpatrick, *The Russian Revolution*; A. Nove, *An Economic History of the USSR,* 3rd ed.

The present thesis builds on this interpretation. On the one hand it argues that the way Soviet trade developed was not at all in line with leadership visions. Instead of society organising itself into consumer communes which would form the backbone of a stateless communist world, the party was forced to accept the long-term existence of capitalist trade both within the country and between Russia and other nations. However, the Bolsheviks' ideology was central to the way they made sense of these developments and their reactions to them. The party's belief that trade was a force for corruption that required political control led it to build bureaucratic apparati to conduct and regulate commerce. While Stalinism was by no means the inevitable outcome of Bolshevik ideology, this preoccupation with overseeing capitalist activity helped facilitate the pervasive party-state infrastructure on which Stalin's dictatorship was founded.

Bolshevik Theory and International Modernity

This thesis argues that to understand Bolshevik ideology and policy, one needs to place it in a broad international context. Some scholars have claimed that the party's resort to coercive policies during the revolution and civil war, and the emergence of a repressive totalitarian state, were inevitable from the outset due to Russia's inherently violent and lawless nature.[53] Others have blamed Marxist ideology with its notion of class

(London, 1992); D.J. Raleigh, *Experiencing Russia's Civil War: Politics, Society and Revolutionary Culture in Saratov, 1917-1922* (Princeton, 2002); R. Service, *The Russian Revolution, 1900-1927,* 3rd ed. (Basingstoke, 1999); P. Holquist, 'Violent Russia, Deadly Marxism? Russia in the Epoch of Violence, 1905-21', *Kritika: Explorations in Russian and Eurasian History*, 4 (3), 2003; S.A. Smith, *Russia in Revolution: An Empire in Crisis, 1890-1928* (Oxford, 2017); M. David-Fox, *Crossing Borders: Modernity, Ideology, and Culture in Russia and the Soviet Union* (Pittsburgh, 2015). Some scholars have focussed specifically on how ideology shaped the Bolsheviks' language, mentality, culture and everyday life. For example Halfin, *From Consciousness to Light*; S. Kotkin, *Magnetic Mountain: Stalinism as a Civilisation* (Berkeley, 1997); J. Hellbeck, *Revolution on my Mind: Writing a Diary under Stalin* (Cambridge, Massachusetts, 2006). However some scholars continued to emphasise ideology over contingency. For example M.A. Malia, *The Soviet Tragedy: A History of Socialism in Russia, 1917-1991* (New York and London, 1996), pp.11-12, 124, 521, 523, and more recently: T. Brenton (ed.), *Historically Inevitable? Turning Points of the Russian Revolution* (London, 2016); L. Engelstein, *Russia in Flames: War, Revolution, Civil War, 1914-1921* (Oxford, 2018).

[53] V. Buldakov, *Krasnaia Smuta: Priroda i Posledstviia Revoliutsionnogo Nasiliia* (Moscow, 1997); O. Figes, *A People's Tragedy: The Russian Revolution 1891-1924* (London, 1997).

conflict.[54] A third school has pointed to the peculiarities of the radical intelligentsia in Russia, with its tendencies towards intolerance and zealotry.[55] However over the past twenty years historians have increasingly come to study Russia and the Soviet Union alongside the rest of the world and have found that what Bolsheviks said and did were not exceptional to Russians or Marxists but were often in line with ideas and policies popular in other nations.[56]

The present thesis builds on this tendency. While it argues that the Bolsheviks' approach to trade and traders was shaped by the Russian intelligentsia's own specific self-image and attitude to western society, it also finds their approach to have been heavily bound up with internationally widespread ideas. For example, in 1916 Lenin developed a theory that western big businesses were becoming corrupt.[57] He observed how they were coagulating into huge cartels and beginning to merge with the state, leading them to lose dynamism and encouraging their directors to abuse their positions at the expense of the national economy. This theory played a significant role in shaping Lenin's further actions. He became convinced that the time was ripe for the socialist revolution and began agitating for an upheaval in Russia. However the sentiments behind the theory were by no means limited to Russian intellectuals or Marxists. Liberal Victorian social commentators including the writers Dickens and Trollope had long been outspoken about the corrupt mentality of the heads of big business and the negative effect on individuals forced to work under them.[58] Later, as large corporations came to play an important role in state administration in Germany and the United Kingdom during the First World War, right-wing critics accused

[54] S. Courteois et al., *The Black Book of Communism: Crimes, Terror, Repression.* Trans. J. Murphy and M. Kramer (Cambridge, Massachusetts, 1999), especially pp. xviii, 262, 727, 735, 739; Malia, *The Soviet Tragedy.*
[55] R. Pipes, *The Russian Revolution, 1899-1919* (London, 1990); A. Geifman, *Thou Shalt Kill: Revolutionary Terrorism in Russia, 1894–1917* (Princeton, 1993).
[56] These works argue against the idea of Russian or Marxist exceptionalism: On violence see Holquist, 'Violent Russia'. On authoritarian governance see Kotkin, *Magnetic Mountain.* On punishment see S. Badcock, *A Prison Without Walls?: Eastern Siberian Exile in the Last Years of Tsarism* (Oxford, 2016), especially pp.18-21.
[57] See Chapter 1 of this thesis, section 'Imperialism: The Highest Stage of Capitalism'.
[58] See p.39 of this thesis.

these firms of vulgarising politics, using their position for their own narrow gain.[59]

The thesis also traces how, during the first months in power, Lenin started to adopt epidemiological metaphors to describe how the corrupt mentality of the trader spread through society, comparing it to the spread of a disease through a human body. This would shape how the Bolsheviks would conceive of capitalists for years to come. Once again, there was nothing unique to Bolshevik ideology here. Thinkers had framed society as a human body since ancient Roman times.[60] Victorian social commentators had used the metaphor of contagious disease to stigmatise the unemployed poor.[61] For Nazi theorists it would be the Jew who infected the German people with his inferior racial characteristics. Pursuing the metaphor further, Lenin, like the Victorians and the Nazis, proposed ways to 'contain' the infection. Lenin's desire to regulate traders and other representatives of the bourgeoisie and rehabilitate them into a classless society was of course fundamentally different from Hitler's 'final solution'. However, neither was it based entirely on 'Marxist' or 'Russian' ideas.

Sources and Methods

In order to study Bolshevik approaches to trade during the revolution itself and the early civil war (1917-1919) the thesis draws primarily on published sources. These include compilations of the speeches and writings of Bolshevik leaders, collections of decisions made by supreme Soviet and party bodies, and also newspapers, memoirs and novels. As Lenin was the dominant theorist on matters of goods exchange, particular use is made of the English translation of his *Collected Works*, published in Moscow between 1960 and 1970, especially volumes 25 to 33 which comprise his writings between 1917 and 1923.[62] As for official

[59] See p.40 of this thesis.
[60] C. Gallagher, 'The Body Versus the Social Body in the Works of Thomas Malfus and Henry Mayhew', *Representations,* 14 (1), 1986, p.83.
[61] See Chapter 2 of this thesis for more detailed discussion of these international comparisons: section 'The Contagion of Trade and International Modernity'.
[62] V.I. Lenin, *Collected Works* (Moscow, 1960-1970).

Soviet policy, the series of books *Dekrety Sovetskoi Vlasti* (Decrees of Soviet Power), published between 1957 and 2009, provide a particularly useful resource, as they contain all the resolutions passed by Sovnarkom from its creation in 1917 until September 1921.[63]

For studying the period between 1920 and 1923, the thesis draws on an extensive array of original archival materials. These documents primarily concern the Soviet republic's organisation and conduct of overseas commerce. Archives in the Russian Federation contain a wealth of hitherto untapped sources on early Soviet foreign trade which offer valuable insight into Bolshevik approaches towards commerce and goods exchange in general.

In order to trace the emergence of the Soviet foreign trade sphere, the thesis primarily uses documents from the Russian State Archive of the Economy (RGAE) collection (or fond) no. 413, 'Ministry of Foreign Trade of the USSR'.[64] Within this collection particular use is made of section (or opis') two, a compilation of over 2,000 files of the People's Commissariat for Foreign Trade (Vneshtorg) from its early years.[65] The Kremlin set up Vneshtorg in 1920 in order to conduct and regulate all of the Soviet republic's overseas trade. These records provide insight into its intended aims and attempts to achieve them in the first years of its existence. They highlight the crucial role of Vneshtorg's chief, Leonid Krasin, in shaping the commissariat's structure and its scope of jurisdiction. Furthermore, they are revealing of Vneshtorg's relations with other Soviet organs, and also with foreign firms and governments. The thesis complements these materials with memoirs of leading foreign trade officials and specialists. Particular use is made of two sets of memoirs written by Georgii Solomon.[66] After Krasin, Solomon was the

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[63] *Dekrety Sovetskoi Vlasti* (Moscow, 1957-2009).
[64] RGAE, f.413: 'Ministry of Foreign Trade of the USSR'. These records are complemented by several files from the State Archive of the Russian Federation (GARF), fond R-130, a collection of documents of the Sovnarkom which reveal its actions in bringing Vneshtorg to life and co-ordinating its activities with those of other organs.
[65] RGAE, f.413, op.2: 'Files of Permanent Storage of the NKVT of the USSR for 1917-1926'. On commissariats and the structure of the central Soviet government, see p.74, footnote 4 of this thesis.
[66] One set of Solomon's memoirs is the published book G.A. Solomon, *Sredi Krasnykh Vozhdei: Lichno Perezhitoe i Videnoe na Sovetskoe Sluzhbe* (Paris, 1930). The other is a

most important figure in the development of Soviet foreign trade. The period between 1918 and 1921 saw Krasin send Solomon to Berlin, Revel' (now Tallinn) and the United Kingdom to regularise and oversee trade between these countries and Soviet Russia. Throughout 1919 Solomon was also the acting head of the commissariat responsible for foreign trade. In 1923 he absconded from the Soviet service and never returned to Russia. In his memoirs Solomon described his work during these years in rich detail. They are coloured by personal bitterness towards the Soviet regime and most of its leaders, yet the events he described and his observations are often corroborated by archival evidence and other memoirists.[67]

The thesis also uses foreign trade documents to study the activities of party-state apparati working in the commercial sphere in the early 1920s. Some of these were tasked to conduct trade, others to regulate those conducting it. The thesis undertakes two case studies to analyse how these conflicting policy drives interacted in practice, using archival materials from the Petrograd (now Saint-Petersburg) region. Home to the country's main port, party leaders were highly interested in the conduct of trading affairs in this area. The first case study is based on documents from the Central State Archive of Saint-Petersburg (TsGA SPb), fond 8: files of the Petrograd regional division of the Workers' and Peasants' Inspectorate (Rabkrin).[68] Rabkrin was a watchdog commissariat for monitoring and improving the Soviet bureaucracy with a particular focus on economic administration. The case study analyses Rabkrin reports on the Petrograd division of Vneshtorg (Petrovneshtorg) and its affiliated organs. These allow a glimpse of how Petrovneshtorg

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manuscript for a biography of Krasin which Solomon was still working on at the time of his death in 1934: GARF f.R-5881, op.2, d.658: *Leonid Borisovich Krasin: Po Lichnym Vospominaniam Avtora i s Opytom Kharakteristiki* (Leonid Borisovich Krasin: From the Personal Recollections of the Author and with an Exposition of his Characteristics). Another set of memoirs which proved particularly useful were those of the timber export specialist Semen Liberman (S.I. Liberman, *Building Lenin's Russia* (Chicago, 1945)). Liberman was recruited by Krasin to lead negotiations with the British in 1921 on Anglo-Soviet timber trade, resulting in the creation of several joint-stock companies.

[67] For example see p.162, footnote 168 of this thesis: His portrayal of Gukovskii's behaviour in Revel' is backed up by Lazerson's memoirs and a reference by Lezhava to the 'disgracefulness' at Revel' in an archived letter.

[68] TsGA SPb, f.8: 'Leningrad Regional Department of the Workers' and Peasants' Inspectorate'.

officials interacted with the domestic market in order to procure materials for export and distribute imported goods, and also how Rabkrin officials attempted to monitor them. Rabkrin reports are an important source for understanding both how the Soviet bureaucracy worked and also how it tried to regulate itself. Yet despite the existence of extensive archive materials there has been little attention paid to Rabkrin in western historiography.[69]

The second case study focuses on Petrovneshtorg's party cell, using a fond dedicated to this cell in the Central State Archive of Historical-Political Documents of Saint-Petersburg (TsGAIPD SPb) (fond R-1127).[70] All Soviet institutions had their own cell, which was a group of all the employees who were also party members. The cell was responsible for the political regulation of the institution. The case study analyses reports of the cell's meetings, and especially the meetings of the cell's bureau, its managing body. In these meetings the bureau discussed the work of their fellow communists in promoting a pro-party atmosphere in Petrovneshtorg. The case study focuses on how the bureau judged their party comrades who were accused of abusing their positions in the institution.

Chapter Outline

The thesis is made up of five chapters arranged loosely in a chronological order, each one marking out a specific phase of development in the Bolsheviks' approaches to trade. Chapter One traces the development of Lenin's views on goods exchange from the beginning of his political life

[69] The main exception being E.A. Rees, *State Control in Soviet Russia: The Rise and Fall of the Workers' and Peasants' Inspectorate, 1920-1934* (New York, 1987). Roger Pethybridge has suggested that Rabkrin has not interested western historians due to a lack of comparative structures in their societies (R.W. Pethybridge, *One Step Backwards, Two Steps Forward: Soviet Society and Politics in the New Economic Policy* (Oxford, 1990), pp.4-5).
Meanwhile Russian and Soviet historians have paid more attention to Rabkrin: A.G. Dianov, 'Preodelenie Krizisa v Raboche-Krest'ianskoi Inspektsii v Period Stanovleniia NEPa', *Omskii Nauchnyi Vestnik*, 3 (78), 2009; S.I. Ikonnikov, *Organizatsiia i Deitatel'nost' RKI v 1920-1925 gg.* (Moscow, 1960); G.A. Dorokhova, *Raboche-Krest"ianskaia Inspektsiia v 1920-1923 gg.* (Moscow, 1959).
[70] TsGAIPD SPb, f.R-1127: Primary Party Organisation of the Administration of the Ministry for Foreign Trade in Leningrad and Leningrad Region.

until the October revolution. It has a particular focus on the year 1917, when his theories crystallised into a fully-fledged goods exchange policy and he started to agitate for a revolution. The chapter finishes by comparing Lenin's plans to the real economic situation in Russia in 1917 and assessing the likelihood of their success.

Chapter Two traces Bolshevik policy on domestic trade from the October revolution until the end of 1920. It looks at the defeat of Lenin's plans on consumer communes due to the failure of revolutionary authorities throughout Russia, as well as most individual people, to act as he had expected. It examines how the Soviet leadership asserted the power of the central party and the state apparati and planned to build up a new commercial infrastructure. Chapter Three looks at Bolshevik approaches to foreign trade over the same time period. It traces the shifting mood among Bolshevik leaders towards a willingness to engage in economic relations with capitalist nations as the revolution failed to spread westwards. The chapter has a particular focus on the creation of Vneshtorg in 1920 and its colourful and influential chief, Leonid Krasin.

Chapter Four traces the emergence of the NEP out of the developments in economic policy described in chapters two and three. It looks at how the Bolshevik leadership attempted to mobilise the state to regulate the new capitalist sector over the period 1921 to 1923. The chapter undertakes the Rabkrin case study to analyse how the Kremlin sought to keep tabs on state trading agencies and the conflicts of interest this generated. The final chapter looks at how the party reacted to its failures in regulating commerce. It looks at a series of leadership debates during the early 1920s on how to correctly balance economic reconstruction and political control. It then undertakes the case study of the Petrograd foreign trade party cell to analyse how party members working directly in the trading sphere prioritised their own duties and responsibilities. The chapter ends by tracing how the dilemma was resolved in 1923 and the implications this had for the fate of the revolution.

The centralised and bureaucratic organisation of goods exchange that was emerging in Russia by 1923 had precious little in common with the libertarian network of consumer communes Lenin had predicted in 1917. In the same way the totalitarian political regime that was coalescing was far removed from the stateless communism the Bolsheviks had initially envisaged. These chapters trace the evolution of Bolshevik approaches to trade step by step, offering new insights into the wider history of the Russian revolution and its aftermath along the way.

Chapter One. Bolsheviks and Commerce before the Revolution: Plans and Realities

Bolshevik forecasts for the proletarian revolution in Russia evolved radically in the short period during 1916 and 1917. The party had initially envisaged that socialism lay so far in the future that all it could do was to teach the working class to overthrow capitalism once the latter had fully ripened. During the First World War Lenin started to believe that this stage was already close and the revolution was imminent. In his eyes, capitalists had degraded from progressive, enterprising types to devious swindlers ready to wreck the economy for their personal profit. The workers had to take immediate control to stop their bosses ruining the advanced capitalist infrastructure needed for the transition to socialism. However, in his enthusiasm for revolution, he overestimated both the workers and the infrastructure.

This chapter introduces Bolshevik views on commerce from the earliest beginnings of the movement right up to the October revolution. It analyses Lenin's plans for a proletarian system of goods exchange, contrasting this with the realities of wartime Russia. His proposal required the pre-existence of a highly efficient and far-reaching commercial infrastructure, as well as the willingness of all the nation's workers and peasants to come together to organise a unified network of consumer societies. The actual picture of trade and food-supply in Russia by late 1917 promised that any attempt to implement his ideas would have disastrous consequences.

Part One: From "Progressive" to "Decayed": Evolving Bolshevik Views on Capitalism[1]

Lenin's understanding of capitalism evolved dramatically between the start of his revolutionary career and the October revolution. In 1894 he saw capitalism as a "progressive" process that "socialises labour and raises its productivity", "shatters the subordination of the working people to the local blood-suckers" and "AWAKENS THE MIND OF THE WORKER".[2] By the end of 1917 he was describing capitalist society in the following manner:

> the society in which poverty and want forced thousands and thousands on to the path of rowdyism, corruption and roguery, and caused them to lose all human semblance.[3]

The first part of this chapter will trace this transformation.

The Development of Capitalism in Russia

In 1895, long before the creation of the Bolshevik party, Lenin joined Georgii Plekhanov's Marxist 'Emancipation of Labour Group' based in Geneva. This group's defining feature was its belief that Russia had to go through an extensive capitalist stage of development in order to reach socialism. The group pitted itself against a large section of the rest of the radical intelligentsia which believed that the country was inherently different from the west and already contained the basis for socialism in the form of the peasant commune. This was the system active in most Russian villages of self-government and communal ownership of the land. It had been widely celebrated as an inherently socialist structure by several generations of radicals, now all grouped together by Plekhanov

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[1] Lenin described capitalism as progressive in 'What the "Friends of the People" Are and How They Fight the Social-Democrats', *Collected Works,* summer 1894, vol.1 (Moscow, 1960), p.236.
He described it as decayed in 'How to Organise Competition?', 24th-27th December 1917, *Collected Works,* vol.26 (Moscow, 1964), p.410.

[2] Lenin, 'Friends of the People', p.236. In the last quote the capitalisation of the letters is from the original.

[3] Lenin, 'How to Organise Competition', p.410.

and labelled as *narodniki*.[4] Lenin was quick to get involved in Plekhanov's heated polemic with those he identified as prominent *narodniki*, such as Lev Tikhomirov, Nikolai Mikhailovskii, and V.P. Vorontsov.[5] Most of his early works were studies of the countryside which attempted to prove that capitalism was already taking root, as a few successful peasants managed to become rich bourgeoisie and the rest fell into poverty and were forced to perform wage-labour for their wealthy neighbours.[6] For Lenin the commune was nothing but a moribund remnant of feudalism whose continued existence served only to keep the peasants in a state of oppression and ignorance.[7] Russia's path to socialism was a much longer one: the development of capitalism would culminate first in a bourgeois revolution, whereby the capitalists would sweep away the rotten autocratic structure.[8] The peasant bourgeoisie would then build up huge mechanised farms employing hundreds of workers each. Whereas before, these labouring peasants were ignorant of their exploitation as it was masked by patriarchal relations, there would now be nothing to hide the nature of their oppression by capital, and being concentrated together in large groups would give them the ability to organise a struggle against their employers. Only then would a socialist revolution occur.[9]

Trade also had an important part to play in these developments. Lenin studied the trading patterns of recent years and traced the

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[4] *Narodniki* can be roughly translated as populists. The original *narodniki* had been inspired by some of the most influential Russian thinkers like Alexander Herzen and Nikolai Chernyshevskii in the 1850s and 1860s. The 'Going to the People' movement of the 1870s was largely based on these ideas with thousands setting out to the villages to help peasants realise their revolutionary potential. Whereas Lenin and Plekhanov accepted these early movements couldn't have known any better, they argued the '*narodniki*' of the present-day (1880s) like the 'People's Will' were deliberately closing their eyes to the fact that capitalism was already developing in the village. See G. Plekhanov, 'Introduction' and 'Chapter One' of *Our Differences,* https://www.marxists.org/archive/plekhanov/1885/ourdiff [accessed 15.08.2018]; Lenin, 'Friends of the People', pp.275-284, and J.D. White, *Lenin: The Practice and Theory of Revolution* (Basingstoke, 2001), p.1.

[5] For a discussion of the views of these thinkers, see White, *Lenin,* p.10; C. Read, *Lenin: A Revolutionary Life* (Abingdon and New York, 2005)*,* pp.37-42.

[6] Most notably 'Friends of the People', and 'The Development of Capitalism in Russia', March 1899, *Collected Works,* vol.3 (Moscow, 1960).

[7] Lenin, 'Friends of the People', p.299. Also see Read, *Lenin,* p.38.

[8] Lenin, 'Friends of the People', p.288. Also see L.T. Lih, *Lenin* (London, 2011), pp.36-37. This was necessary as the feudalistic remnants restricted capitalism through the imposition of various forms of legal restrictions and arbitrary taxes, as well as keeping the peasants in a slave-like condition.

[9] Lenin, 'The Development', pp.228-251, 310-317.

emergence of the private trader in the village.[10] This person typically started off as a labourer in a communal handicraft workshop, or *artel'*, who elected to frequent the nearest town market to sell surplus produce. As they gained expertise in how to sell the goods profitably and buy raw materials cheaply, they became invaluable to the *artel'*, and also independent from it as they accumulated their own capital. Having no rivals in the isolated village, this proto-merchant was increasingly able to dictate prices to the *artel'*, and to supply all its raw materials on credit, forcing it into a usurious relationship. The enterprise eventually became entirely dependent on this monopolist to continue its operations.

Whereas many radicals deplored these developments, seeing peasant industry as a potentially socialist phenomenon, Lenin celebrated them as evidence of a step towards serious capitalism.[11] He argued the next stage would see the merchant setting up his own factory specialising in finishing and marketing handicrafts, surrounded by a chain of *arteli* which he would supply with raw materials and from whom he would collect semi-finished goods.[12] The peasants in the *arteli* would now to all intents and purposes be merely employees of this merchant-turned-industrialist. A parallel trend saw the coalescence of retail into a few huge department store chains.[13] The smallest traders buying up the goods directly from the *arteli* would become mere purchasing agents for a bigger distributor, who would deliver the goods to an even larger body in the city, which in turn would supply them to the department store's own commission agents. As for the *arteli* themselves, Lenin did not see them as noble or proto-socialist, and he argued that conditions for handicraft workers were horrible, characterised by long days, enforced ignorance, and poor earnings, and that even working in a capitalist enterprise offered an improvement in quality of life.[14]

Thus for Lenin the bottom line was that capitalism was developing in Russia, whether the *'narodniki'* liked it or not, and would continue to

[10] Lenin, 'The Development', pp.360-368.
[11] Lenin, 'The Development', p.366.
[12] Lenin, 'The Development', pp.438-440.
[13] Lenin, 'The Development', pp.365-366.
[14] Lenin, 'Friends of the People', p.216.

do so until the economy had been transformed into a small number of enormous highly-advanced capitalist enterprises, with a few bourgeoisie at the top and everyone else working for them. Only under these conditions could the majority of the workers' minds awaken to their class exploitation.[15] With the socialist revolution expected to be so far in the distant future, Lenin did not elaborate much on when it might actually happen or what exactly the workers were to do with the capitalist infrastructure when the time came. For now, the revolutionary's task was to endow a sense of class consciousness in the small proletariat that had already formed, making them aware of their future role in history, ready for when the time came.[16]

Imperialism: The Highest Stage of Capitalism

Lenin, and later, the Bolshevik party, stayed loyal to these ideas right up until the mid-1910s. While in European exile, Lenin seized upon the latest theories of western Marxists like Rudolph Hilferding and Karl Kautsky who sought to explain the latest developments of capitalism, such as the new boom in empire building, the syndicalisation of industry, the growing intervention of the state in society, and the emergence of the finance sector.[17] It wasn't long until Lenin produced his own work on the subject, *Imperialism: The Highest Stage of Capitalism*.[18] In it, he argued that the most advanced European nations were developing from merely capitalist into imperialist economies and this was the final stage before the transition to socialism. According to Lenin, imperialism was characterised by the merging together of all industry into a handful of huge monopolies, and an analogous process in banking, with a few huge

[15] Lenin, 'Friends of the People', pp.235-247.
[16] Lenin, 'What is to be Done? Burning Questions of Our Movement', 1901-1902, *Collected Works,* vol.5 (Moscow, 1960), pp.347-530. On class and revolutionary consciousness see p.23 of this thesis.
[17] R. Hilferding, *Finance Capital: A Study of the Latest Phase of Capitalist* Development: https://www.marxists.org/archive/hilferding/1910/finkap/index.htm; Karl Kautsky, 'Imperialism and the War': https://www.marxists.org/archive/kautsky/1914/09/war.htm. Lenin was also heavily influenced by the work of 'bourgeois' economist J.A. Hobson, *Imperialism: A Study*: https://www.marxists.org/archive/hobson/1902/imperialism/index.htm [all works accessed 15.08.2018].
[18] Lenin, 'Imperialism: The Highest Stage of Capitalism'. Written January-June 1916, *Collected Works,* vol.22 (Moscow, 1964), pp.185-360.

banks effectively controlling the whole economy through managing the accounts of every enterprise. The monopolists accrued a surplus of capital as investment opportunities within the nation dried up, so they sought to export it to developing nations. The state sought to secure captive markets in these countries by asserting colonial power over them. However, as the entire globe was already divided into colonies and colonial powers, the only way for an imperialist economy to further expand was to seize territory from a competitor. For Lenin, this was the cause of the First World War, and it would continue to cause further world wars until the imperialist system fell. Lenin argued that under imperialism, capitalism lost its dynamic and progressive edge, because with the coalescence of industry into cartels, the spirit of free competition which stimulated innovation dried up. He gave an example of a revolutionary invention in bottle manufacturing by an American scientist which was bought and patented by a German trust to avoid competition, and was subsequently never used.

This theory caused a dramatic shift in Lenin's thought between 1916 and 1917 as he drew implications from it for the Russian situation. One aspect of Lenin's imperialist phase that made a particularly profound impression on him was the sense that present-day capitalists were involved in all kinds of corrupt and essentially antisocial schemes and manipulations. This was part of a broader political discourse spanning the late nineteenth and early twentieth centuries. Social commentators in Victorian England, including the writers Charles Dickens and Anthony Trollope, deplored the emergence of highly complex business systems which gave a few directors almost unlimited power over massive amounts of wealth.[19] In the absence of stringent regulations, and with shareholders often ignorant of the firm's activities, directors were free to engage in a range of illicit activities, from embezzlement of company

[19] C. Dickens, *Martin Chuzzlewit* (Oxford, 1984); Dickens, *Little Dorrit* (Harmondsworth, 1986); A. Trollope, *The Three Clerks* (London, 1907). Also see J. Galsworthy, 'The Skin Game', in *Ten Famous Plays by John Galsworthy* (London, 1941); J.W. Horsley, *How Criminals Are Made and Prevented: A Retrospect of Forty Years* (London, 1913), all cited in G. Robb, *White-Collar Crime in Modern England: Financial Fraud and Business Morality, 1845-1929* (Cambridge, 1992), p.136.

property, to nepotism in appointments, and insider trading.[20] In many belligerent countries during the First World War, big business went on to forge a tight relationship with the state. The latter came to rely on small circles of powerful magnates to finance and supply military operations, administer the economy and provide government services. This led to further accusations of corruption, as the businesses were seen to be using their position for their own gain. In the UK right-wing circles criticised the liberal government for being under the thumb of big financial interests who were manipulating the course of the war in order to profiteer.[21] In post-war Germany commentators accused cartels, like that of coal magnate Hugo Stinnes, of deliberately provoking hyperinflation in order to pay less taxes, salaries and debts in real terms.[22]

In researching *Imperialism*, Lenin was confronted with such ideas for the first time. Previously he had associated capitalism with a sense of transparency in operations, at least compared with Russian feudalism:

> In the former case [pre-capitalism], exploitation is still enmeshed in medieval forms, various political, legal and conventional trappings, tricks and devices, which hinder the working people…from seeing the essence of the system that oppresses [them]… In the latter case [capitalism], on the contrary, exploitation is fully developed and emerges in its pure form, without any confusing details.[23]

He now noted with moral outrage how corporations spread false rumours about their industry to starve a competitor of investment, and then

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[20] Robb, *White-Collar Crime*, ch.6. Also see J.P. Locker and B. Godfrey, 'Ontological Boundaries and Temporal Watersheds in the Development of White-Collar Crime', *British Journal of* Criminology, 46 (6), 2006, pp.982-986.
[21] G.R. Searle, *Corruption in British Politics, 1895-1930* (Oxford, 1987), pp.246-248, 271-285, 328-347, 423-424. These attacks often had anti-Semitic overtones.
[22] Outspoken German critics included Oswald Spengler and Arthur Moeller van den Bruck (see G.A. Craig, *Germany 1866-1945* (Oxford, 1981), p.487). Also see H. Ashby Turner Jr., *German Big Business and the Rise of Hitler* (Oxford, 1985), pp.11, 33, 35; A. Fergusson, *When Money Dies: The Nightmare of the Weimer Hyper-Inflation* (London, 2010), pp.236-242; C. Storer, *A Short History of the Weimar Republic* (London, 2013), p.98; J. Bingham, 'The Urban Republic', in A. McElligot (ed.), *Weimar Germany* (Oxford, 2009), pp.99-100; P. Bookbinder, *Weimar Germany: The Republic of the Reasonable* (Manchester, 1996), p.170. Like in the UK, these attacks often had strong anti-Semitic overtones (M. Berkowitz, *The Crime of My Very Existence: Nazism and the Myth of Jewish Criminality* (Berkeley and London, 2007), pp.14-17).
[23] Lenin, 'Friends of the People', p.299.

bought the latter out for next to nothing. He was particularly shocked at the ways directors concealed suspect behaviours from their shareholders through balance sheet fraud and using the holding system which allowed them to act via daughter companies:

> the "holding system" not only serves enormously to increase the power of the monopolists; it also enables them to resort with impunity to all sorts of shady and dirty tricks to cheat the public, because formally the directors of the "mother company" are not legally responsible for the "daughter company", which is supposed to be "independent", and *through the medium* of which they can "pull off" *anything*.[24]

Thus, for Lenin, present-day capitalist activity no longer served to develop industry and increase overall production. The bourgeoisie would now even undermine the well-being of their own enterprise if they could reap personal benefit from it. This would fester into a preoccupation that capitalists could no longer be left to their own devices and had to be incessantly regulated, which would characterise Lenin's thought for the rest of his life.

Corrupt Capitalists and the Russian Revolution

Even though this new turn in capitalist behaviour was supposedly limited to the most advanced European economies, it had a significant impact on how Lenin made sense of events in Russia in 1917, and would ultimately influence his decision to call for an armed insurrection. For Lenin, it was one of the reasons Russia found itself in utter economic crisis. He accused the owners of the mines, railways and factories, especially war contractors, of carrying out illicit schemes under the cover of commercial secrecy, which only served to exacerbate rather than help the economic situation.[25] Lenin argued that the reason the Provisional Government

[24] Lenin, 'Imperialism', pp.228-229. All italics shown in Lenin's quotes throughout the thesis are in the original.
[25] Lenin, 'How the Capitalists are Trying to Scare the People', 1st June 1917 (O.S.), *Collected Works,* vol.19 (Moscow, 1964), pp.439-441; Lenin, 'The Impending Catastrophe and How to Combat it', especially chapter 1: 'Famine is Approaching', 10-14th September

could not avert the crisis was purely because it was unable to take any decisive action against these capitalists, being bourgeois in nature itself and "bound to capital by a thousand chains".[26]

Lenin's solution was to urge workers to assert 'control' over their workplaces, meaning checking their accounts and activities.[27] When Lenin spoke of control he used the Russian word *kontrol'* which just means regulating and supervising rather than assuming ownership or taking over management.[28] Furthermore he did not initially consider the establishment of workers' control to necessitate the immediate overthrow of the Provisional Government.[29] However, this changed in July after an armed popular uprising beset the capital. Having thwarted the immediate danger, a new leadership came to the fore in the Provisional Government, headed by Alexander Kerensky, which was keen on restoring order. It blamed the Bolsheviks for the revolt, banned the party and arrested its members. Lenin, forced into hiding in Finland, now moved to advocate an insurrection against the government, accusing it

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1917 (O.S.), *Collected Works,* vol.25 (Moscow, 1964), pp.327-329. On Lenin's views on commercial secrecy, see Y. Kotsonis, *States of Obligation: Taxes and Citizenship in the Russian Empire and Early Soviet Republic* (Toronto and London, 2014), p.307.

[26] The Provisional Government existed between the February and October revolutions with the aim of governing Russia until the convening of a constituent assembly. Lenin's condemnation of its failure to take bold measures to avert the crisis rings out constantly in his works between May and June: Lenin, 'Inevitable Catastrophe and Extravagant Promises', May 1917, *Collected Works,* vol.24 (Moscow, 1964), p.425. Also see Lenin, 'The Impending Catastrophe' with its provocative chapter headings like 'Complete Government Inactivity' and 'Control Measures Are Known To All and Easy To Take'.

[27] Lenin, 'The Capitalists Must be Exposed', 27th May 1917 (O.S.), *Collected Works,* vol.24, pp.521-523'; Lenin, 'Resolution on Measures to Cope With Economic Dislocation', 25th May 1917 (O.S.), *Collected Works,* vol.24, pp.513-516; Lenin, 'Economic Dislocation and the Proletariat's Struggle Against it', 4th June 1917 (O.S.), *Collected Works,* vol.25, pp.43-46.

[28] This definition of the word *kontrol'* is taken from an online version of the Russian 'Ozhegov' dictionary: http://что-означает.рф/контроль [accessed 14.05.2019]. This nuance of its definition is pointed out in the following works: S. Malle, *The Economic Organization of War Communism, 1918-1921* (Cambridge, 1985), pp.36,47; Read, *Lenin*, pp. 149, 203; N. Harding, *Leninism* (Basingstoke and London, 1996), pp.92, 94; B. Williams, *Lenin* (Harlow, 2000), p.86; S.F. Cohen, *Bukharin and the Bolshevik Revolution: A Political Biography* (New York, 1971), p.74; A. Nove, *An Economic History of the USSR,* 3rd ed. (London, 1992), pp.35-37.

[29] Read, *Lenin*, p.150.

of becoming a force for counter-revolution which would no longer tolerate peaceful worker activism.[30]

Despite now advocating an immediate revolution Lenin still maintained that Russia was not quite ready for socialism.[31] He argued that the transfer of power was first and foremost needed for the urgent aversion of the crisis. Yet at the same time he believed that once the workers had discovered their bosses' despicable dealings, they would never return power to the bourgeois class. Furthermore, in the very act of asserting control, the workers would rouse the masses to their side:

> The conscientious, bold, universal move to hand over administrative work to proletarians and semi-proletarians, will ... rouse such unprecedented revolutionary enthusiasm among the people, will so multiply the people's forces in combating distress, that much that seemed impossible to our narrow, old, bureaucratic forces will become possible for the millions, who will *begin to work for themselves* and not for the capitalists...[32]

For Lenin, there would be no way back to capitalist rule after this, only forwards towards socialism. In September he described the revolution as:

> "...a tremendous *step towards* socialism, a step from which, if complete democracy is preserved, there can no longer be any retreat back to capitalism, without unparalleled violence being committed against the masses."[33]

Lars Lih has presented the Bolsheviks' accusations against the capitalists in 1917 as a conscious strategy to win worker support and discredit the Provisional Government.[34] This does appear to be the purpose of

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[30] Lenin, 'The Political Situation: Four Theses',10th July 1917 (O.S.) *Collected Works,* vol.25, pp.178-181; Lenin, 'The Russian Revolution and Civil War', 16 September 1917 (O.S.), *Collected Works,* vol.26, pp.37-38. Also see Read, *Lenin,* pp.162-163.
[31] Lenin dismissed the idea that these measures represented the immediate introduction of socialism, arguing they were a 'step towards socialism': 'The Impending Catastrophe', pp.361-362. Also see Harding, *Leninism,* p.94.
[32] Lenin, 'Can the Bolsheviks Retain State Power', 14th October 1917 (O.S.), *Collected Works,* vol.26, p.115.
[33] Lenin, 'The Impending Catastrophe', p.364.
[34] L.T. Lih, *Bread and Authority in Russia, 1914-1921* (Berkeley, 1990), pp.98, 102.

propagandistic brochures like Emelian Iaroslavskii's 'Why There are No Goods in the Village or Bread in the Cities', which portrays spiteful factory owners deliberately hiding bread and wrecking transport in order to starve the working class and keep it cowed in a submissive role.[35] Nevertheless for Lenin these accusations were founded on a deeper preoccupation based on his understanding of present-day capitalism. A lot of his economic and political programme of the time was built around this preoccupation, and it would continue to shape his policies long after October.

Workers' Control in the Russian Economy

Having established that the workers needed to establish control, Lenin set about explaining how they should do so.[36] He believed that advanced capitalism, in centralising the economy, created structures that made it straightforward to regulate. The most important of these were the banks, which Lenin believed controlled the entire imperialist economy. They would be nationalised and merged into one state bank, allowing for stringent regulation of the capitalists' transactions:

> A single State Bank, the biggest of the big, with branches in every rural district, in every factory, will constitute as much as nine-tenths of the *socialist* apparatus. This will be country wide *book-keeping*, country-wide *accounting* of the production and distribution of goods, this will be, so to speak, something in the nature of the *skeleton* of socialist society.[37]

Nationalisation would also allow the imposition of a fair tax on the capitalists. Meanwhile, the millions of roubles accrued by the monopolists at the expense of society would be nationalised, but most ordinary business owners would only be deprived of their finances if they refused to co-operate, as a kind of show punishment.

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[35] E. Iaroslavskii, *Otchego net Tovarov v Derevne, Khleba v Gorodakh*, (Moscow, 1917), cited in Lih, *Bread and Authority,* p.99.
[36] Lenin laid out these plans in 'The Impending Catastrophe'. Also see Lenin, 'Inevitable Catastrophe', pp.424-430; 'Can the Bolsheviks', pp.87-137.
[37] Lenin, 'Can the Bolsheviks', p.106.

The biggest syndicates, those that had reached 'imperialism' level, were also to be nationalised. In Russia these were in the coal, iron, sugar and oil industries. Lenin argued that this would be straightforward as all the actual work was already done by ordinary blue and white-collar workers anyway, and the handful of barons at the top did little but collect hundreds of millions of roubles. The workers were to be just left to get on with running the industries and the bosses deprived of their outrageous incomes. All other enterprises, excluding the tiniest, were to be formed into regional associations, kinds of proto-syndicates, each of which would be supervised by a board of workers. Commercial secrecy would be abolished and bosses would have to make all their operations transparent to their workers.

Finally, the entire population was to be organised into consumers' societies through which all consumer goods would be distributed fairly, preventing the rich from being able to pay for a better diet.

The Revolutionary State

Until autumn 1917, this economic programme was put forward mainly in the form either of critiques of the Provisional Government or as direct appeals to the workers to defy their bosses. The question remained as to how all the workers' actions were to be managed and co-ordinated following a revolution. Since April Lenin had been speaking of a truly democratic, proletarian, alternative to the Provisional Government in the form of the soviets.[38] Soviets had initially been set up during the 1905 revolution as committees for workers to co-ordinate strikes.[39] Following the February revolution their number rapidly increased as communities of all levels and sizes began establishing them as vehicles for political representation.[40]

Lenin now began to consider how the soviets would operate as the revolutionary state and what their relationship would be with the wider

[38] Read, *Lenin,* pp.153-154.
[39] Read, *Lenin,* p.144.
[40] C. Read, *War and Revolution in Russia, 1914-22*: *The Collapse of Tsarism and the Establishment of Soviet Power* (Basingstoke and New York, 2013), pp.57, 59.

groups of workers taking action in their workplaces. Behind the scenes he was working furiously to develop his ideas, culminating in his book *The State and Revolution*, completed in September.[41] Largely inspired by fellow Bolshevik theorist Nikolai Bukharin's treatment of imperialism, Lenin argued that during the revolution the proletariat would destroy the bourgeois state and create its own dictatorship, which in Russia would be in soviet form.[42] The Dictatorship of the Proletariat would gradually attract all the masses into the work of administering the economy and society. As this happened the need for a state would diminish and slowly wither away, and communism would be born.[43] Lenin believed that state administration was "exceedingly simple" work that anyone literate could perform. The infrastructure that late capitalism had created, such as telephones, rail and motor travel, and the postal service, had reduced the work to a series of simple filing, checking and registration tasks.

Despite outlining this libertarian vision of the revolutionary state, Lenin emphasised that in the short term workers' control was to be carefully directed and overseen by the soviets:

> When we say: "workers' control", always *juxtaposing* this slogan to dictatorship of the proletariat, always putting it *immediately after* the

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[41] Lenin, 'The State and Revolution', September 1917, *Collected Works,* vol.25, pp.385-497.

[42] Bukharin's works: 'Toward a Theory of the Imperialist State', 1915, https://www.marxists.org/archive/bukharin/works/1915/state.htm [accessed 15.08.2018] and *Imperialism and World Economy,* 1917: https://www.marxists.org/archive/bukharin/works/1917/imperial/index.htm [accessed 15.08.2018].

[43] Thus *The State and Revolution* supports the position of many revisionist studies, as well as more recent works on Lenin's thought, that Lenin believed in popular revolution in 1917 and envisaged a libertarian socialist society, rather than a centralised party-state bureaucracy, in the future: M. Liebman, *Leninism under Lenin.* Trans. B. Pearce (Pontypool, 1980), pp.195-199; L.H. Siegelbaum, *Soviet State and Society between Revolutions* (Cambridge, 1992), pp.9-10; Harding, *Leninism,* pp.106-107; Read, *Lenin,* pp.166-172; White, *Lenin,* pp.142-143; Lih, *Lenin,* pp.136-137; Williams, *Lenin,* p.83. Consequently the book has long been a thorn in the side of the totalitarian school and its offshoots. They have tried to argue that *The State and Revolution* was in fact an endorsement of totalitarian rule. They have either highlighted its failure to promote individual civil rights, freedoms or parliamentary democracy, or interpreted its single reference to the party as the guide and teacher as advocating party dictatorship (see below p.47): R. Daniels, 'The State and Revolution: A Case Study in the Genesis and Transformation of Communist Ideology'*, The American Slavic and East European Review,* 12 (1), 1953; A.B. Evans, 'Rereading Lenin's State and Revolution', *Slavic Review*, 46 (1), 1987, pp. 1-19; A. Walicki, *Marxism and the Leap to the Kingdom of Freedom: The Rise and Fall of the Communist Utopia* (Stanford, 1995); pp.322-347; D. Volkogonov, *Lenin: Life and Legacy* (London, 1995), pp.72-73; Service, *Lenin,* pp.293-297; L. Engelstein, *Russia in Flames: War, Revolution, Civil War, 1914-1921* (Oxford, 2018), p.xxv.

> latter, we thereby explain what kind of state we mean... Without the Soviets, this task [i.e. workers' control] would be impracticable, at least in Russia. The Soviets *indicate* to the proletariat the organisational work which *can* solve this historically important problem.[44]

Believing that the majority of soviets were dominated by Bolsheviks, Lenin expected that soviet rule would allow the party to take the guiding role in shaping the new society.[45] In *The State and Revolution*, Lenin had ascribed such a role to the party as the vanguard of the proletariat:

> By educating the workers' party, Marxism educates the vanguard of the proletariat, capable of assuming power and *leading the whole people* to socialism, of directing and organizing the new system, of being the teacher, the guide, the leader of all the working and exploited people in organizing their social life without the bourgeoisie and against the bourgeoisie.[46]

The question of how hands-on this leading role was to be is one of the most debated questions in the study of Lenin's political philosophy, and of the Russian revolution in general.[47] Some historians have argued that Lenin's intentions were always to subordinate independent worker movements to a totalitarian party-state. According to this viewpoint, he did not really believe the workers were capable of intelligent administration and his call for them to take control was just a disingenuous move to wreak havoc on the existing state infrastructure. This would pave the way for the party to assert its role as the ruling

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[44] Lenin, 'Can the Bolsheviks', p.105. See also Lenin, 'How to Organise', p.410: "Accounting and control, *if* carried on by the Soviets of Workers', Soldiers' and Peasants' Deputies as the supreme state power, or on the instructions, on the authority, of *this* power -- ...is the *essence* of socialist transformation".
[45] Read, *Lenin,* pp.180-181; R. Sakwa, *Soviet Communists in Power: A Study of Moscow during the Civil War, 1918-21* (Basingstoke, 1988).
[46] Lenin, *The State and Revolution,* p.409. To add some important context to this quote, Lenin's emphasis here was not on the extent of power the party would have over the proletariat. As the italics suggest, he was making a point that the party needed to take action on behalf of the whole proletariat: he was criticising the tendency for Marxists to become mere spokespeople for the better-off workers and resign themselves to the capitalist system.
[47] See pp.22-26 of this thesis.

organ and crush any independent movement.[48] Others have argued that Lenin genuinely came to believe that the workers had acquired revolutionary consciousness by 1917. He was inspired by the growth of forms of worker self-organisation, such as soviets, factory committees, and the huge influx of members into the Bolshevik party during 1917.[49] Therefore he intended that the party would take more of an advisory, supervisory role.[50] Lenin did make it quite clear he believed the success of the revolution entirely depended on workers taking the initiative:

> The accounting and control essential for the transition to socialism can be exercised only by the people. Only the voluntary and conscientious co-operation of the *mass* of the workers and peasants in accounting and controlling *the rich, the rogues, the idlers and the rowdies,* a co-operation marked by revolutionary enthusiasm, can conquer these survivals of accursed capitalist society.[51]

Directly addressing the masses, he proclaimed:

> Workers and peasants, working and exploited people! The land, the banks and the factories have now become the property of the entire people! You *yourselves* must set to work to take account of and control the production and distribution of products—this, and this *alone* is the road to the victory of socialism...[52]

Lenin's approach to the organisation of food supply shows this was not mere populist rhetoric. He interpreted popular initiatives for procuring and distributing food during the worsening crisis in 1917 as truly revolutionary behaviour. Though Lenin advocated direction and guidance from the party, he believed that most people were conscious enough to

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[48] This explanation for the workers' control policy is put forward in the following works: A.G. Meyer, *Leninism* (Cambridge, Massachusetts, 1957), p.42; A. Nove, 'Lenin as Economist', in L. Schapiro, P. Reddaway, and P. Rosta (eds.), *Lenin: The Man, the Theorist, the Leader: A Reappraisal*, (London, 1967), pp.203-204; A.B. Ulam, *Lenin and the Bolsheviks: The Intellectual and Political History of the Triumph of Communism in Russia* (London, 1965), pp.282-283; Engelstein, *Russia in Flames,* pp.175, 213, 229, 238, 628-629.
[49] On factory committees see pp.78-79 of this thesis.
[50] Liebman, *Leninism,* pp.195-199; Williams, *Lenin,* pp.70-71; 83-86; Read, *Lenin*, pp.144-145, 180-181; Read, *From Tsar to Soviets*, p.212; Siegelbaum, *Soviet State and Society,* pp.9-10.
[51] Lenin, 'How to Organise', p.410.
[52] Lenin, 'How to Organise', pp.410-411.

realise this was in their best interests and accept it without the need for coercion.

Part Two: Food Supply: Plans and Realities

With the benefit of many years' hindsight Lenin's plans look naive to say the least. Having concluded that the proletariat were now conscious, he drew the implication that following a revolution it would naturally go on to act in complete accordance with his plans. After all, consciousness was a sense of awareness that emanated down to the workers from the revolutionary vanguard, i.e. the party.[53]

Even if the proletariat did go on to regulate and supervise their employers as Lenin prescribed, what would this actually involve? Lenin did not know, having never worked in a capitalist enterprise. He restricted himself to a few vague utterances about checking ledgers and accounts, registration, filing and counting.[54] He assumed that these actions would automatically boost production and ensure a socially beneficial distribution of the products and the profits. Lenin was relying on the workers and junior clerks to take matters into their own hands and know what to do when the time came.

Furthermore, Lenin often seemed to write as though he thought Russia already possessed the advanced state-capitalist infrastructure he had characterised in *Imperialism* and that worker control would guide it smoothly over the final hurdles towards socialism.[55] However *Imperialism* only actually described the developed capitalist economies of western Europe, to which Russia bore little resemblance.[56] Lenin did acknowledge that Russia would need help from the west in order to reach the level of

[53] On the relationship between consciousness and the party see the Introduction to this thesis, section 'Lenin and Consciousness' and Chapter 2, section 'Left Opposition and the Question of Local Autonomy'.
[54] Lenin, 'The State and Revolution', p.426; Lenin, 'Can the Bolsheviks', p.106.
[55] For example in *The State and Revolution*. While this is a largely theoretical treatise about how an economy in the final stages of capitalism advances towards socialism, he draws concrete lessons from it for Russian socialists in the present.
[56] Cohen, (*Bukharin*, p.67) has pointed out that pre-revolutionary statistics tended to exaggerate the importance of large-scale industry in the Russian economy, which helps to explain Lenin's optimism.

economic progress required for socialism. At the same time he admitted that extensive collaboration would depend on the revolution spreading to the capitalist powers.[57]

Thus Lenin's vision for the revolution was extremely unrealistic. One aspect of his plans that was doomed from the very start concerned the organisation of goods exchange. The issue of food supply was one of the most serious aspects of Russia's wartime crisis. A series of increasingly interventionist yet unworkable policies by the Tsarist and Provisional Governments to feed the army and the cities had antagonised the peasants to the point where they were no longer willing to sell their grain. Starvation was creeping up on the cities and the soldiers.[58] Lenin's bold plan to make sure everyone got their fair share involved the compulsory organisation of the entire population into a network of consumer societies, or 'communes', through which a rationing system would be organised. This move was along the same lines as his other policies, as it involved establishing workers' control over existing structures, in this case, the co-operatives.

Lenin and the Co-operatives

The consumer co-operative movement in Russia began rapidly expanding from the 1890s with the industrialisation boom.[59] It possessed a distinct

[57] See Chapter 3, Part 1 of this thesis for discussion of Bolshevik views on the international revolution.
[58] There is a rich scholarship on food supply in wartime Russia: Lih, *Bread and Authority*; P. Holquist, *Making War, Forging Revolution: Russia's Continuum of Crisis, 1914-1921* (Cambridge, Massachusetts; London, 2002); S. Badcock, *Politics and the People in Revolutionary Russia: A Provincial History* (Cambridge, 2007), ch.8; M.R. Baker, *Peasants, Power, and Place: Revolution in the Villages of Kharkiv Province, 1914-1921* (Cambridge, 2016); A.B. Retish, *Russia's Peasants in Revolution and Civil War: Citizenship, Identity, and the Creation of the Soviet State, 1914-1922* (Cambridge, 2008) chs. 1-3; S. Badcock, L.G. Novikova, and A.B. Retish (eds), *Russia's Home Front in War and Revolution, 1914-1922. Book 1: Russia's Revolution in Regional Perspective* (Bloomington, 2015), especially the chapter by P.Fraunholtz, 'The Collapse and Rebuilding of Grain Procurement Authority in Civil War Russia: The Case of Penza, 1919'; K. Matsuzato, 'Interregional Conflicts and the Collapse of Tsarism: the Real Reason for the Food Crisis in Russia after the Autumn of 1916', in M. Schaeffer Conroy (ed.), *Emerging Democracy in Late Imperial Russia* (Niwot, 1998); P. Gatrell, *Russia's First World War: A Social and Economic History* (New York, 2014), ch.7. For the perspective of contemporary onlookers see: *Food Supply in Russia During the World War.* Under the General Direction of P.B. Struve (New Haven and London, 1930).
[59] E.M. Kayden and A. N. Antsiferov, *The Cooperative Movement in Russia During the War* (New Haven; London, 1929), p.7.

socialist ethos and sought to provide communities with cheap consumer goods on credit.[60] Its role in the economy continued to grow actively during the First World War, as co-operatives were local government's preferred vehicle of grain procurement.[61] Meanwhile consumers flocked to join their local co-operative as their faith in the state to feed them diminished, as did their trust in private traders to sell at a fair price. Some groups of citizens set up their own societies to source and share food themselves, within professional organisations and in the form of factory or house committees.[62] Already by 1915 Russia had as many co-operatives as Britain, France, Germany, Italy, Switzerland and Denmark combined, serving over eight million consumers. Their role in retail would further skyrocket in the following two years, with their share in total trade increasing from 14% to 46%. New larger societies emerged with their own warehouses and chains of stores in provincial towns. By early 1917 there were over a hundred of these with a membership of 350,000.[63] Meanwhile smaller co-operatives were amalgamated into huge national-level structures like the Tsentrosoiuz (Central Union of Consumer Societies) and Zakupsbyt (Siberian Co-operative of Procurement and Sales Unions).[64]

These developments must have been music to Lenin's ears. The radical intelligentsia had always been closely associated with the co-operatives.[65] Although Lenin scorned the *'narodnik'* belief that they could protect peasants from financial and spiritual enslavement by the merchantry under the old regime, he believed that this growing infrastructure would have a vital role to play following the revolution:

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[60] Kayden, *The Cooperative Movement,* pp.3-7; Gatrell, *Russia's First World War,* p.167.
[61] Kayden, *The Cooperative Movement,* p.18; Lih, *Bread and Authority,* p.74.
[62] Kayden, *The Cooperative Movement,* p.18; Lih, *Bread and Authority*, pp.73-75; Gatrell, *Russia's First World War,* p.169; Badcock, *Politics and the People,* pp.226-227.
[63] Gatrell, *Russia's First World War,* p.167.
[64] Gatrell, *Russia's First World War* p.167; Lih, *Bread and Authority* pp.74-75; J. Hessler, *A Social History of Soviet Trade* (Princeton, 2004), p.54.
[65] Kayden, *The Cooperative Movement* pp.3-7; Y. Kotsonis, *Making Peasants Backwards: Agricultural Cooperatives and the Agrarian Question, 1861-1914* (Basingstoke, 1999), esp. p.117, 145-149.

> ..in a society where all industry and land is socialised, and where it spreads to the whole society, the co-operative IS socialism.[66]

Lenin developed an almost unwavering faith in the co-operatives as the blueprint for socialist distribution, which would remain with him for the rest of his life. It is likely this stemmed partly from an early and lifelong attachment with Chernyshevskii's *What Is To Be Done?*, a book that largely defined the self-image of the 1860s radical intelligentsia. In it, the author tenderly describes a co-operative set up by the heroine Vera Pavlovna, founded on the ideals of love, equality and sisterhood. Besides splitting all profits equally, this enterprise set up its own bank to help members in need, organised classes to improve their education, and fostered a communal spirit that ended up with almost everyone living together and sharing all their possessions.[67] By the end of the nineteenth century, the book's popularity had considerably dwindled, yet for Lenin it retained an almost sacred authority, especially as he related it to the cause his brother had died for. When fellow-Bolshevik Nikolai Valentinov called it "untalented, crude and pretentious", Lenin was hurt and furious:

> my brother, for example, was captivated by him [Chernyshevskii] and so was I. *He completely transformed my outlook....* After the execution of my brother, I started to read it properly, as I knew that it had been one of his favourite books. I spent not days but several weeks reading it. Only then did I understand its depth. This novel provides inspiration for a lifetime.[68]

Lenin believed the time had now come for co-operatives to become the very basis of society. By putting together his pre-October plans with a

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[66] Lenin, 'Original Version of the Article "The Immediate Tasks of the Soviet Government"', Dictated 28th March 1918, *Collected Works,* vol.27 (Moscow, 1972), pp.215-217. On the same pages he dismissed the potential role of the co-operative under capitalism, calling it a mere *lavochka* (a crude basic store).
[67] N.G. Chernyshevsky, *What Is To Be Done? Tales About New People,* Trans. B.J. Tucker and C. Porter (London, 1982), pp.158-160, 331-332.
[68] N. Valentinov, *Encounters with Lenin.* Trans. P. Rosta and B. Pearce (London, 1968), p.64.

draft decree written in December, we can see how he intended this to work.[69]

Consumer Communes and their Theoretical Benefits

Lenin proposed that all co-operatives and other consumer organisations be nationalised by the soviets, which would allocate them to serve a specific residential area.[70] Areas where there was no existing provision would set up their own communes under the direction of the soviets and of experts.[71] Each commune would have a board which collected the consumer goods produced in the area and redistributed them. The board would organise the sale and shipment of any surplus goods to other communes, as well as the purchase of deficit goods from them. People would be issued workbooks, in which their trade union would log the number of hours worked, and this number entitled the bearer to a corresponding amount of products in the commune store.

The scheme worked logically on paper and in accordance with the Bolsheviks' other plans and theories. One of the main causes of the food crisis was the war, which required the state to secure huge amounts of grain for the front, as well as to frequently transport thousands of soldiers between the fronts and the rear. The latter put incredible strain on the railways, rendering effective grain distribution impossible. The Bolsheviks' promise of immediate peace would eliminate these problems. Furthermore the factories could be turned back to peacetime production, creating manufactured goods that peasants would be desperate to buy and would therefore have incentive to sell their grain. The system would ease the strain in relations between town and country, and between people and the state. From now on nobody was to be burdened with

[69] Lenin, 'Draft Decree on Consumer Communes', December 1917, *Collected Works,* vol.26, pp.416-417.
[70] The account of Lenin's plan in this paragraph is mainly based on Lenin, 'Draft Decree', but also contains details from 'The State and Revolution', p.470, and 'Can the Bolsheviks', p.110.
[71] These experts were to be "instructors, inspectors and auditors": Lenin, 'Draft Decree', pp.416-417.

obligations to a distant and abstract 'city', 'army', 'state' or 'village'.[72] The communes had to provide food only for themselves, with any surplus being bought and sold between them, presumably at market prices.[73] All transactions were to be conducted through the nationalised state bank, allowing the soviets to ensure the communes were working for the good of everyone, and to impose a fair tax and offer credit to those that were struggling.[74] Finally, the communes would force the capitalists and bureaucrats to work for the good of society, as they would be unable to eat otherwise.

The Communes and the Real Food-Supply Situation

A brief review of the actual situation in late 1917 shows that these theories were never likely to become much more than just theories. As several important studies have demonstrated, the fatal error of the Provisional Government was to assume that peasants had the same interests as educated society.[75] Policy-makers therefore believed that they would strive to co-operate for the good of the country without the need for any centralised apparatus of coercion. Instead peasants turned out to be independent political actors and local authorities were forced to represent them rather than Petrograd, to avoid their violent wrath. By autumn Kerensky's government had to some extent realised its mistake, and was switching to sending military detachments to the village to forcibly extract grain. Yet at this very time, Lenin was advocating policies based on the same assumptions but of an even more ambitious nature.

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[72] For detailed discussion of the problems surrounding food supply see the works listed on p.50, footnote 58 of this thesis.
[73] Lenin did not broach the subject of whether prices would be market or fixed. Read interprets his omission as an acceptance of market prices (*Lenin,* p.201). By autumn the Provisional Government was no longer able to implement its fixed grain prices (See Badcock, *Politics and the People,* pp.217-218, Retish, *Russia's Peasants,* p.58, 98-99; Gatrell, *Russia's First World War,* p.162; Baker, *Peasants, Power, and Place,* pp.42-43; Holquist, *Making War,* ch.3). The only other alternative would have been to impose fixed prices on all goods. Such a scheme was in fact briefly entertained by the Provisional Government, but, as Badcock has argued, was incredibly ambitious and would have required control over the whole economy (*Politics and the People*, pp.217-218). On the other hand, this on its own would not have deterred Lenin, whose whole theory presupposed such control.
[74] Lenin, 'Draft decree', pp.416-417.
[75] Badcock, *Politics and the People,* ch.8; Baker, *Peasants, Power, and Place*; Holquist, *Making War,* ch.3; Retish, *Russia's Peasants,* chs. 1 & 2; Lih, *Bread* and Authority, p.61.

For Lenin, the crisis had deepened only because the Provisional Government system was bourgeois and thus could not take measures that truly benefitted the poor. However, with this overthrown, all people would fully endorse his view that they needed to organise themselves into consumer communes and give up their produce for redistribution.[76]

Lenin was relying on the soviets to offer guidance where necessary. However, these were hardly the centres of consciousness that he assumed. Lenin had interpreted the Bolsheviks' gaining majorities in the Moscow and Petrograd soviets during the autumn as a reflection of the political mood throughout the country.[77] However outside the capitals the party had considerably less authority in the soviets.[78] Furthermore, party politics were understood differently outside the big urban centres. Many activists in the countryside saw in the soviets the prospect of genuine local self-administration, and identified with the Bolshevik party only in so far as it advocated transferring power to the soviets, and its basic demands for bread, land and peace. It is unlikely that many outside the party core would have been acquainted with, and prepared to accept, Lenin's full political programme.[79]

Besides expecting people to co-operate out of a shared sense of social responsibility, Lenin also expected them to materially incentivised by the creation of communes. However it is difficult to see what would initially attract people to participate in them when the benefits could not be reaped until the whole system was fully functioning nationwide. Capitalists were supposed to help set up the communes, yet Lenin believed the only way they could be made to co-operate was through an already operational commune system that controlled their access to food.[80] Peasants were expected to stop over-consuming, under-

[76] According to Lih, Lenin believed the peasantry were only capable of following the lead of another class, either the bourgeoisie or the proletariat, rather than taking independent political action (*Lenin*, p.97).
[77] Read, *Lenin*, pp.180-181.
[78] Read, *Lenin*, p.181.
[79] Holquist, *Making War,* pp.139-142; S. Badcock, 'Structures and Practices of Power: 1917 in Nizhegorod and Kazan' Provinces', in Badcock, Novikova and Retish (eds), *Russia's Home Front,* p.361; Read, *Lenin,* pp.180-181, 189; Read, *War and Revolution*, pp.102, 105-106, 119-121.
[80] Lenin, 'The Impending Catastrophe', p.352.

producing, and selling to outsiders, and instead deliver all their produce to the commune, in exchange for a ration of various consumer goods. However many urban producers were unwilling to continue supplying the countryside with goods until they started to receive grain from the peasants.[81]

In summary, Lenin was calling for the immediate replacement of the failed 'bourgeois' system of food supply with a highly ambitious plan to allocate Russia's entire population into a grand network of consumer communes, through which people would give and receive all the nation's food. In some ways this proposal can be seen as a logical response to the growing tendency for communities to join and set up co-operatives and other mutual food-supply societies. However the proliferation of these efforts were more a mark of social breakdown than social consciousness. Local communities turned to mechanisms of self-protection because they no longer trusted the state, other social groups, or even anybody outside of themselves. It seems highly unlikely that they would react positively to any outside instructions to reorganise.

Part Three: The Private Trader: The Elephant in the Room

Lenin's commune project was inspired by the rampant expansion of the co-operatives in Russia's economy, which he believed could be taken and easily stretched to embrace the entire population. Yet even in 1917 the co-operatives were never responsible for more than 46% of the country's retail.[82] The individual private trader continued to play an enormous role in procuring and supplying the nation's consumer goods.[83] In dreaming of a well-ordered and universal distribution structure, Lenin had overlooked this ubiquitous figure. In reality, the Bolsheviks would need to contend with the traders as soon as they concerned themselves with food supply.

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[81] Baker, *Peasants, Power, and Place,* p.71. Furthermore, many factories were debilitated by lack of raw materials and fuel, worn out equipment that could only be replaced abroad, and owners who were trying to shut the enterprise down (D.J. Raleigh, *Revolution on the Volga: 1917 in Saratov* (Ithaca and London, 1986), p.208).
[82] Gatrell, *Russia's First World War,* p.167.
[83] A. Banerji, *Merchants and Markets in Revolutionary Russia, 1917-1930* (Basingstoke, 1997), pp.14-15.

However, the party's complex attitudes towards these individuals meant that collaboration or even coexistence was bound to be highly problematic from the outset.

The Trader as Class Enemy

For the Bolshevik leaders, along with most of the broader radical intelligentsia, the figure of the trader or merchant was the very epitome of the despised bourgeoisie. It was the embodiment of all that was wrong in human society.[84] Back in the 1840s two of the defining figures of radical Russian thought, Alexander Herzen and Mikhail Bakunin, had used the analogy of the small shopkeeper, with his petty nature and narrow interests, to try to capture the very essence of the bourgeois spirit. The association had stuck ever since.[85] Anti-bourgeois sentiment heightened among the radicals as the reforms of the 1860s saw the emergence of a new class of wealthy businessmen.[86] These nouveaux riches sought to emulate the aristocratic intelligentsia type, with its erudition, aestheticism, and refined manners. New generations of radicals instead resorted to a new self-image of asceticism, poverty, and selflessness, which grew and consolidated over time.[87] As it did so the radicals

[84] For the purposes of this discussion I define 'radical intelligentsia' as individuals whose main occupation involved seeking to oppose the autocracy, advancing the cause of the 'people', and/or promoting theories of a better future society. For attempts to problematise the concept of 'intelligentsia' see: R. Pipes (ed.), *The Russian Intelligentsia* (New York, 1961)*;* C. Read, *Culture and Power in Revolutionary Russia: The Intelligentsia and the Transition from Tsarism to Communism* (Basingstoke, 1990), pp.13-15; I. Kochetkova, *The Myth of the Russian Intelligentsia* (London, 2010), ch.1.

[85] A. Gleason, *Young Russia: The Genesis of Russian Radicalism in the 1860s,* (New York, 1980), pp.352-353; N. Berdiaev, *The Origin of Russian Communism.* Trans. R.M. French (London, 1948); p.34; K. Clark, *Petersburg, Crucible of Cultural Revolution* (Cambridge, 1995), p.19; Read, 'Culture and Power', p.18; A. Iu. Davydov, *Meshochniki: Nelegal'noe Snabzhenie Rossiiskogo Naseleniia i Vlast' 1917-1921 gg.* (Saint-Petersburg, 2002), p.71.

[86] The sharp rise of the new businessmen at the expense of the hapless old aristocracy was a prominent theme in literature over the following half century. See for example A.P. Chekhov, *The Cherry Orchard.* Trans. and Ed. M. Fayn (London, 1990); M.E. Saltykov-Shchedrin, 'Moe Ubezhishche Monrepo' and 'Blagonamerennye Rechi', in A.S. Bushmin, V.Ia, Kirpotin, and S.A. Makashin (eds.), *Sobranie Sochinenii v Dvatsati Tomakh: M.E. Saltykov-Shchedrin* (Moscow, 1971).

[87] The new self-image is discussed in the following works: Berdiaev, *The Origin,* pp.9, 45-51; A. Camus, *The Rebel,* Trans. A. Bower (Harmondsworth, 1971); M. Prawdin, *The Unmentionable Nechaev: A Key to Bolshevism* (London, 1961); Gleason, *Young Russia,* p.298; F. Venturi, *Roots of Revolution: A History of the Populist and Socialist Movements in Nineteenth Century Russia*. Trans. F. Haskell (London, 1960); O. Figes, *A People's Tragedy: The Russian Revolution 1891-1924* (London, 1997), p.125; S.K. Morrissey, 'The "Apparel of Innocence": Toward a Moral Economy of Terrorism in Late Imperial Russia',

increasingly pitted themselves against the 'immoral' bourgeoisie, embodied by the trader, to whom they attributed the opposite traits: greed, materialism and individualism.[88]

Ascetic Self-Image

One of the first manifestations of this self-image was the nihilism of the 1860s, for which Chernyshevskii's *What Is To Be Done?* largely set the tone.[89] Through the character Rakhmetov, who ate raw steaks and slept on a bed of nails, the author argued that the revolutionary ought to live a life of discomfort and poverty as part of his devotion to the people:

> We demand the full enjoyment of life for every man - and we must prove by our lives that we demand this not for ourselves....but for the whole of mankind....[90]

The work was seen as a kind of gospel by many figures of the radical elite of the time, including Plekhanov, Tkachev, and Kropotkin. Its ascetic

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The Journal of Modern History, 84 (3), 2012; J. Bergman, 'The Image of Jesus in the Russian Revolutionary Movement: The Case of Russian Marxism', *International Review of Social History,* 35 (2), 1990. The stark difference between the radicals of the 1840s and of the 1860s is dealt with in I.S. Turgenev, *Fathers and Sons.* Trans. and Ed. E.R. Sands (London, 1992); and F.M. Dostoevsky, *The Devils (The Possessed).* Trans. D. Magarshak (Harmondsworth, 1971).

[88] The developments in the aspirations of the new classes and the reaction of the radical intelligentsia are traced in the following works: S. Smith and C. Kelly, 'Commercial Culture and Consumerism' in C. Kelly and D. Shepherd (eds.), *Constructing Russian Culture in the Age of Revolution, 1881-1940* (Oxford, 1998), pp.130-136; R. Stites, *Revolutionary Dreams: Utopian Vision and Experimental Life in the Russian Revolution* (New York, 1989), pp.24-30; M. Malia, 'What is the Russian Intelligentsia?', in Pipes (ed.), *The Russian Intelligentsia,* pp.7, 17; R. Pipes, 'The Historical Evolution of the Russian Intelligentsia', in Pipes (ed.), *The Russian Intelligentsia*, pp.50-51. Many of these particularly emphasise the 1890s as the pace of industrialisation intensified and higher education expanded to try to meet the country's vocational needs.

[89] Other important names associated with the 1860s nihilist movement include Nikolai Dobroliubov, the influential literary critic who emphasised the importance of social ideas in literature over pure aesthetics, and Sergei Nechaev who took nihilist ideas to a new level of ruthlessness and violence, both in theory and practice. See his essay 'The Revolutionary Catechism' (1869): https://www.marxists.org/subject/anarchism/nechayev/catechism.htm [accessed 12.09.2017].

[90] Chernyshevsky, *What is To Be Done?,* p.230. Rakhmetov's curious lifestyle is picked up on in the following works: Szamuely, *The Russian Tradition* pp.168, 214-217; Gleason, *Young Russia,* pp.295-298; S.K. Morrissey, *Heralds of Revolution: Russian Students and the Mythologies of Radicalism* (New York, 1998), p.21; Figes, *A People's Tragedy,* p.130; Ulam, *The Bolsheviks,* p.60.

role-models also went on to influence the next generation, including, as we have already seen, Lenin, who said the following of the book:

> [Chernyshevskii] not only showed that every right-thinking and really honest man must be a revolutionary, but also - and this is his greatest merit - what a revolutionary *must be like*.[91]

Many radicals would subsequently be attracted to the *narodnik* movement of the following decade, and thousands took part in the 'Going to the People' campaign of summer 1874, giving up their relatively comfortable urban lives to share the hardships of the peasants. For the founder of the movement Petr Lavrov, the volunteers should expect to suffer, and if it came to it, sacrifice their lives for the good of the people:

> Vigorous, fanatical men are needed, who will risk everything and are prepared to sacrifice everything. Martyrs are needed....[92]

Lenin, though he did not share their views about introducing socialism into the village, would later praise these early *narodniki* for their revolutionary and anti-bourgeois approach.[93]

The revolutionaries of the People's Will era perpetuated the puritanical self-image into the 1880s, endowing their terrorist comrades with saint-like or martyr qualities.[94] Terrorists were celebrated for having voluntarily renounced the prospect of a peaceful or happy life and knowingly taken a path of darkness for the good of the people. According to this trope, terrorists who committed murder were not only willingly

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[91] Gleason, *Young Russia,* pp.295-298. The influence of Chernyshevkii's ascetic ideals on Lenin is also discussed in Szamuely, *The Russian Tradition,* pp.168, 214-7; Venturi, *The Roots of Revolution,* p.179; Ulam, *The Bolsheviks,* p.65.
[92] Lavrov, quoted in R.C. Williams, 'The Nationalization of Early Soviet Culture', *Russian History,* 2 (3), 1982, p.157.
[93] Lenin, 'Friends of the People', pp.257, 275-84.
[94] The People's Will was a terrorist movement that conducted assassinations of prominent government officials in a bid to destabilise the tsarist empire and push for reform. The celebration of these radicals can be seen in Ukrainian terrorist Sergei Stepniak-Kravchinskii's book, *Underground Russia*, a set of hagiographical profiles of his revolutionary comrades: S. Stepniak, *Underground Russia: Revolutionary Profiles and Sketches from Life* (Whitefish, 2007). On the influence of this work on the wider radical movement see: S.A. Boniece, 'The Spiridonova Case, 1906: Terror, Myth, and Martyrdom', *Kritika: Explorations in Russian and Eurasian History*, 4 (3), 2003; M. Mogil'ner, *Mifologiia "Podpol'nogo Cheloveka": Radikal'nyi Mikrokosm v Rossii Nachala XX Veka kak Predmet Semioticheskogo Analiza* (Moscow, 1999), p.57; L.E. Patyk, 'Remembering 'The Terrorism': Sergei Stepniak-Kravchinskii's Underground Russia', *Slavic Review*, 68 (4), 2009.

accepting imprisonment and execution, but also the burden on their conscience which had caused some comrades to go insane or take their own lives.[95]

Lenin fully subscribed to the ascetic self-image of the radical intelligentsia. For him, the decades of suffering of his predecessors was an important process which had led them to eventually discover the truth, the truth of Marxism:

> Russia achieved Marxism - the only correct revolutionary theory - through the *agony* she experienced in the course of half a century of unparalleled torment and sacrifice, of unparalleled revolutionary heroism, incredible energy, devoted searching, study, practical trial, disappointment, verification, and comparison with European experience.[96]

The Bolshevik party-state culture would go on to espouse many ascetic features. Examples include the self-perception of the Cheka, the secret police, as a kind of monastic order, the creation of a cult of Lenin after his death in 1924, the increasingly ceremonial ritual of the 'Red Funeral' to honour departed comrades, and the 'aura of martyrdom' which Stalinist propagandists sought to create around their leader.[97]

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[95] S.K. Morrissey, *Suicide and the Body Politic in Imperial Russia* (Cambridge, 2006), pp. 280, 287-288, 295; O.H. Radkey, *The Agrarian Foes of Bolshevism: Promise and default of the Russian Socialist Revolutionaries, February to October, 1917* (New York, 1958), p.70; S. Badcock, *A Prison Without Walls?: Eastern Siberian Exile in the Last Years of Tsarism* (Oxford, 2016), pp.152-154.

[96] Lenin, '"Left-Wing" Communism - An Infantile Disorder', June 1920, *Collected Works,* vol.31 (Moscow, 1966), pp.25-26. Lih also cites this passage in discussing Lenin's views about the suffering of the radical movements (*Lenin,* pp.31, 44).

[97] On asceticism in Bolshevik party-state culture in general see I. Halfin, From Darkness to Light: Class, Consciousness, and Salvation in Revolutionary Russia (Pittsburgh, 2000), pp.1-9; M. Smith, 'Stalin's Martyrs: The Tragic Romance of the Russian Revolution', *Totalitarian Movements and Political Religions,* 4 (1), 2003. On the Cheka see J. Ryan, 'The Sacralization of Violence: Bolshevik Justifications for Violence and Terror during the Civil War', *Slavic Review,* 74 (4), 2015. On the religion of Lenin see Stites, *Revolutionary Dreams*, ch. 5; N. Tumarkin, *Lenin Lives! The Lenin Cult in Soviet Russia* (London, 1983). On the red funeral see T.R. Trice, 'The 'Body Politic': Russian Funerals and the Politics of Representation, 1841-1921', PhD Thesis (University of Illinois at Urbana-Champaign, 1998). For asceticism in Stalinist political culture see I. Halfin, *Stalinist Confessions: Messianism and Terror at the Leningrad Communist University* (Pittsburgh, 2009), pp.2, 221; A.B. Ulam: *Stalin: The Man and his Era* (New York, 1973), p.389; S. Kotkin, *Magnetic Mountain: Stalinism as a Civilisation* (Berkeley, 1997), pp.212-213, 264; R.C. Tucker, *Stalin as Revolutionary, 1879-1929: A Study in History and Personality,* (London, 1974), p.284. For criticisms of attempts to portray Bolshevism as a secular religion see R.L. Hernandez, 'The Confessions of Semen Kanatchikov: A Bolshevik Memoir as Spiritual Autobiography', *The Russian Review,* 60 (1), 2001, pp.13-14.

The Counter-Image of the Trader

As fallen activists were venerated and became role-models for the next generation, the ascetic self-image continually perpetuated and consolidated itself. Along with this radicals increasingly distanced themselves from the bourgeoisie, in whom they attributed a much more ignoble set of characteristics. They portrayed the figure of the trader as the very antithesis of themselves, not only in morals and aspirations, but in manners and appearance as well. Thus founding member of the Social Democrats Alexander Potresov expressed surprise when he first encountered the up-and-coming young Lenin:

> ...a typical merchant from any north Russia province - there was nothing of the "radical" intellectual about him.[98]

The Bolsheviks fully subscribed to this wider enmity towards the trader. Lenin frequently referred to fictional merchant villains to characterise the greed and narrow-mindedness of the ruling classes in general. One of his favourite characters was evidently Tit Titych from Alexander Ostrovskii's 1856 play *Shouldering Another's Burden.*[99] In this play, the foolish merchant is blackmailed into paying a fortune to the dishonest housekeeper of an impoverished yet noble family of teachers. His wounded pride leads him to try to get the whole family sent to Siberia as revenge. A typical Ostrovskii merchant, Titych comes across as conceited, tyrannical, capricious, and a philistine.[100] He is also possibly gluttonous, as his family refer to him as Kit Kitych (literally, Whale

[98] Cited in Read, *Lenin*, p.27. On the bourgeoisie as the perceived antithesis of the radical intelligentsia see L. Manchester, *Holy Fathers, Secular Sons: Clergy, Intelligentsia, and the Modern Self in Revolutionary Russia* (DeKalb, 2008), p.66; Morrissey, 'Heralds of Revolution', p.5.
[99] A.N. Ostrovskii, 'V Chuzhom Piru Pokhmel'e', in G.I. Vladykina et al. (eds.), *Polnoe Sobranie Sochinenii v Dvenadtsati Tomakh: A.N. Ostrovskii.* vol.2 (Moscow, 1973-1980).
[100] Ostrovskii's pessimistic portrayals of the merchantry would influence many other Russian writers in the second half of the nineteenth century, and were the subject of literary critic Nikolai Dobroliubov's well-known article 'Kingdom of Darkness' ('Luch Sveta v Temnom Tsarstve', in N.A. Dobroliubov, *Sobranie Sochinenii v Deviatykh Tomakh*, vol.6 (Moscow and Leningrad, 1963)). See M.L. Hilton, *Selling to the Masses: Retailing in Russia, 1880-1930* (Pittsburgh, 2012), p.26; Smith and Kelly, *Commercial Culture,* pp.122-123; Manchester, *Holy Fathers, Secular Sons*, p.64; L. McReynolds, *Russia at Play: Leisure Activities at the End of the Tsarist Era* (Ithaca, 2003); Venturi, *The Roots of Revolution,* p.191.

Whaleson). Tit Titych first appears in Lenin's early writings on the agrarian question, representing landowners who treats agricultural experts as mere 'teachers' with a set market value.[101] A few years later Lenin ridiculed a commercial periodical claiming that the Zemstvo, an institution of local government, was unfair as merchant representatives had to pay more into it than the nobility.[102] He used the image of Titych to laugh at the philistinism and pettiness of reducing questions of democracy to questions of monetary value:

> It would, of course, be ridiculous to expect the Kit Kityches and their hack writers to be capable of pondering over general political questions or to be interested in political knowledge. The only thing that interests Kit Kitych is that he pays "a lot" and a member of the nobility pays "little".[103]

In 1917, Titych became the capitalist-monopolist defrauding the government and the people through his secret schemes, the solution of which was naturally to "institute such *supervision* that every Tit Titych will be *surrounded*".[104] The character's final appearance in Lenin's writings was in February 1921. He was now the capricious communist manager who ignored the input of specialists: "We need more practical studies of our mistakes, in place of the Tit Titych type of tactics ("I might give my approval, if I feel like it")".[105]

Lenin made similar use of the rural merchants Derunov and Razuvaev from the satirical stories of Saltykov-Shchedrin. These are the anti-heroes of two separate stories, who both use callous means, including bullying and intimidation, to cheat the narrator, a hapless aristocratic dreamer, of his family estate.[106] Jolly and generous on the surface, Derunov and Razuvaev are at heart ruthless businessmen. Both

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[101] Lenin, 'Review of Home Affairs', December 1901, *Collected Works,* vol.5. (Moscow, 1960), p.284.
[102] Lenin, 'Merchant Accountancy', April 1913, *Collected Works,* vol.19, pp.59-60.
[103] Lenin, 'Merchant Accountancy', p.60.
[104] Lenin, 'Can the Bolsheviks', p.107. Titych is also mentioned in a similar light in 'The Impending Catastrophe', p.331.
[105] Lenin, 'Integrated Economic Plan', February 1921, *Collected Works,* vol.32 (Moscow, 1973), p.145. On such managers and Lenin's attitude to them see p.183, footnote 71, p.219, and p.223, footnote 54 of this thesis. On the phenomenon of communist managers in general see pp.156-158, p.223.
[106] Saltykov-Shchedrin, 'Moe Ubezhishche Monrepo' and 'Blagonamerennye Rechi'.

former serfs, they made their fortunes through exploiting their fellow peasants. Monopolising the grain trade, the merchants forced peasants to accept rock-bottom prices for their harvests. They also ensnared villagers in nets of alcoholic misery through setting up networks of *kabaki* (village pubs). In Lenin's attempts to prove that capitalism was developing in the countryside around the turn of the century, Derunov and Razuvaev were shorthand for the new peasant bourgeoisie who drove their fellows into poverty and forced them to work for them as a proto-proletariat.[107] Despite Lenin's attempts to treat this as an amoral scientific process, he expressed moral disgust at these figures, describing them several times as blood-suckers.[108] This analogy mirrors Schedrin's own treatment of Derunov as "a kind of vampire", who the local peasants accused of drinking up the blood of the whole county.[109]

Bolsheviks of a more literary bent created their own merchant anti-heroes. Traders and shopkeepers in Maxim Gorky's novels are generally negative characters. For example, in his autobiography he talks of how, still a child, he was forced to work for a local shopkeeper.[110] The latter comes across as devious, penny-pinching and two-faced, acting sycophantically to his customers' faces, while gossiping maliciously about them behind their backs. Meanwhile the Bolshevik historian Mikhail Pokrovskii traced the sinister history of the Russian merchant back to Kievan Rus', when traders would not only trick and cheat their customers, but procure wares through armed robbery and raiding.[111] Most controversially, they would kidnap their own fellow people, especially young virgins, and sell them abroad as slaves. Pokrovskii made a direct connection between these bandits and early twentieth-century traders, implying that although bourgeois society now distinguished between theft and merchantry, both spheres were essentially dishonest:

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[107] Lenin, 'Friends of the People', p.229; 'The Agrarian Programme of Social-Democracy in the First Russian Revolution, 1905-1907', December 1907, *Collected Works,* vol.13 (Moscow, 1978), pp.422-423.
[108] Lenin, 'Friends of the People', pp.230, 235.
[109] Saltykov-Shchedrin, 'Blagonamerennye Rechi', pp.109, 157.
[110] M. Gorky, *In The World* (New York, 1917), pp.3-6.
[111] M.N. Pokrovskii, *Russkaia Istoriia s Drevneishikh Vremen* (Moscow, 1896-1899), Part One, ch.3: http://az.lib.ru/p/pokrowskij_m_n/text_1899_rus_istoria-1.shtml [accessed 16.08.2018]; M.N. Pokrovskii, *Ocherk Istorii Russkoi Kul'turi*, vol.1, (Moscow, 1917), pp.89-95.

> The features, which are put forward so caringly today, distinguishing the peaceful trader, despite being dishonest, from the thief, did not exist for the naive people of the early medieval world.[112]

The Evolution of the Trader

Thus Bolshevik thinkers of the time tended to accept the wider radical intelligentsia's stereotypes of traders, as morally corrupt and a social evil that held in contempt everything the socialists stood for. However, here the Bolsheviks, and Russian Marxists in general, parted ways with the other parties and movements. The latter tended to lump their prejudices about trade together with their views on capitalism in general, as one big evil force that both cruelly exploited the peasant and irrevocably corrupted his noble socialist spirit with consumerist temptations.[113] For Lenin, the villainous petty trader was only characteristic of an early, primitive stage of capitalism. The Russian merchants could suck the blood from the village only because the peasants were so isolated, scattered and ignorant, making them easy to dominate. As capitalism would develop, all the vampires would melt into large, faceless structures of procurement and distribution, which would actually improve the lot of the peasants:

> This mass of small rural exploiters represents a terrible force, especially terrible because they oppress the isolated, single toiler, because they fetter him to themselves and deprive him of all hope of deliverance ... you will understand why the Social-Democrats regard the work of our capitalism as progressive when it draws these small, scattered markets together into one nation-wide market, when, in place of the legion of small well-meaning bloodsuckers, it creates a handful of big "pillars of the fatherland," when it socialises labour and raises its productivity, when it shatters the subordination of the

[112] Pokrovskii, *Russkaia Istoriia.*
[113] Smith and Kelly, *Commercial Culture,* pp.136-138; Kotsonis, *Making Peasants Backwards,* pp.145, 149; Clark, *Petersburg,* p.19; Ulam, *The Bolsheviks,* p.83.

> working people to the local blood-suckers and subordinates them to large-scale capital.[114]

By the First World War, some Marxist theorists were arguing that this had already happened in Europe. Rudolf Hilferding, whose 1910 work *Finance Capital* heavily influenced Lenin's own *Imperialism*, observed how the private merchant was being pushed out of the economy by the big trusts and syndicates.[115] Hilferding described how industrial syndicates, like the American Tobacco Trust, were expanding into distribution themselves, crushing all other retailers of its products. Meanwhile the mail order business was expanding into rural areas, ruining the provincial tradesman as well. As the trusts formed their own links with the consumer, the remaining merchants were deprived of their bargaining power and ended up working as mere agents of the former. For Hilferding, the new system relied on a business culture of transparency, brotherhood and solidarity. Individual initiative and speculation now only had a harmful destabilising nature. Whereas private trade used to be the bedrock of capitalism...

> It is now the unmitigated evil from which crises, overproduction, and, in short, all the defects of capitalist society flow. Eliminate speculation is now the slogan...[116]

It is easy to see how Lenin would have been excited by Hilferding: the latter's observations on the development of capitalism and the role of the trader affirmed what Lenin had been arguing for almost twenty years. Excited by the proof of these developments in Europe, he started to imagine that Russia itself was not too far away from reaching this stage.

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[114] Lenin, 'Friends of the People', pp.235-236. This passage contains some more references to Saltykov-Shchedrin's Derunov: the work in which he features is ironically called 'Well-Meaning Speeches' (Blagonamerennye Rechi) and Derunov is equally ironically referred to as a 'pillar (*stolp*) of the fatherland'. On Lenin's theory also see 'The Development of Capitalism', pp.172-191.
[115] Hilferding, *Finance Capital,* ch.13.
[116] Hilferding, *Finance Capital,* ch.13.

Bagmen and Shopkeepers

However, in reality Russia was still largely dependent on private traders to meet its consumer needs. In 1915-1916 even the state grain procurers bought half of their purchases from private dealers.[117] For Lenin, there were two types of private enterprise; those with less than two hired labourers and those with more.[118] Whereas the workers in larger firms could outnumber and overpower their bosses, he acknowledged that it would be impossible to subject the smaller ones to control in the near future.[119] However, this did not dampen his spirits in the least as he believed these enterprises played an insignificant role in the economy anyway.[120] This was a serious miscalculation on Lenin's part. By late 1917 Russia was overrun with tens of thousands of individual traders. These were mostly bagmen, starving individuals failed by state efforts to organise food supply who travelled around agricultural regions trying to buy up bread from local peasants. They were accompanied by many speculators, who did the same but with the aim of selling the bread on for a profit. Thousands of deserted and demobilised soldiers also roamed the countryside trying to find food.[121] These masses defied state policies on the grain monopoly and fixed prices, yet neither the Tsarist nor the Provisional Governments had proved able to control them.[122] For Lenin's plans to work, the bagmen would all have to immediately and spontaneously desist from their activities and settle down into a consumer commune in the hope of food to come once the system had got underway. Ironically, Lenin's old attacks on those who idealised the peasant commune back in the 1880s could almost word-for-word be applied to his own failure to acknowledge the petty trader in 1917:

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[117] Holquist, *Making War,* p.35.
[118] Lenin, 'Revision of the Party Programme', October 1917, *Collected Works,* vol.26, p.172.
[119] Lenin, 'Revision of the Party Programme', p.172. Also see Malle, *Economic Organization,* p.35.
[120] Lenin, 'Revision of the Party Programme', p.172. He also considered these enterprises to be "bound hand and foot" to the banks and trusts, so the nationalisation of the latter would allow the soviets to exert an indirect influence over them anyway.
[121] Lih, *Bread and Authority,* pp.76-77; Davydov, *Meshochniki*, p.6; T. Hasegawa, *Crime and Punishment in the Russian Revolution: Mob Justice and Police in Petrograd* (Cambridge, Massachusetts, 2017), p.173.
[122] Badcock, *Politics and the People,* pp.214-215.

> When you compare the descriptions of peasant economy given by our radicals with precise first-hand data on rural economic life, you are astonished that there is no place...[in the former] for that mass of small hucksters who swarm in each of these markets, all these higglers and chafferers or whatever else the peasants call them in different localities, for all that mass of petty exploiters who dominate the markets....[123]

As for bigger enterprises, like shops and wholesalers, Lenin believed that their proletarian staff would establish control and ensure their employers were distributing goods fairly to the community, and not hoarding or profiteering. They would be subjected to a hefty, but not crippling tax, in accordance with their size and income.[124] Lenin had proposed "talented organisers" from the capitalists be "advanced" to make use of their "required experience".[125] Presumably he expected the shopkeepers would play an important role in organising the communes and implementing the new rationing system. However this implied their authority and judgement would be accepted by the rest of the community, an unlikely prospect by late 1917.

Mass Hatred of the Trader in 1917

During 1917 popular trust in local merchants and shopkeepers dropped to an unprecedented low. Both peasants and urban citizens blamed them for the high prices of consumer goods, accusing them of speculating and hoarding in order to profiteer from the crisis. Hunger and desperation easily led people to lash out at this scapegoat. According to Hasegawa, over 10% of cases of mob justice were perpetrated against merchants in Petrograd in 1917.[126] A case from August vividly demonstrates how the slightest irritation could provoke groups of locals into extreme acts, often

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[123] Lenin, 'Friends of the People', p.235.
[124] Lenin, 'Inevitable Catastrophe', pp.424-430, and 'War and Revolution', May 1917, *Collected Works,* vol. 24, pp.413-414. Yanni Kotsonis has argued that for Lenin, this tax was about generating information about the economy as well as gaining income (*States of Obligation,* pp.306, 308).
[125] Lenin, 'Inevitable Catastrophe', p.429.
[126] Hasegawa, *Crime and Punishment,* pp.168-169. The ten food riots that broke out in this year often targeted merchants as well: pp.169, 175.

with anti-Semitic overtones.[127] A crowd, suspecting a local merchant, Bekker, of hoarding soap, gathered around his storeroom on Sennaia Square. After the militia, headed by Deputy Commissar Sharikov, had checked Bekker's inventory and found everything to be legal, the crowd turned on another trader who had just turned up with two carts of leather goods. When this individual's papers were also found to be in order, the crowd attacked Sharikov himself. The crowd also beat up a third merchant, a Jew named Brikker, and tried to throw him in the Fontanka river. They then tied a Jewish boy working at a slaughterhouse to a cart, hung on him a sign reading 'marauder' and 'exploiter', and dragged him through the streets, beating him. When a man from a stalled tram shouted out: "This kind of violence violates the spirit of the revolution and threatens the residents", the mob yelled in reply: "He must be a Jewish speculator. Beat him!", which they proceeded to do. Similar riots broke out in other cities. Raleigh has traced a case in Saratov where a group of 2,000 women and teenagers, already frustrated by having to wait in line for hours, attacked and looted a shoe

[127] Hasegawa, *Crime and Punishment,* pp.173-174. See p.175 for a similar case. On anti-Semitic overtones of attacks on traders: Jews played a huge role in the commerce of the Russian Empire (A.M. Ball, *Russia's Last Capitalists: The Nepmen, 1921-1929* (Berkeley, 1987), p.99; Hessler, *A Social History,* p.27, Hilton, *Selling to the Masses,* pp.56-57). During times of shortage local populations often blamed them for hoarding and profiteering (O.V. Budnitskii, *Russian Jews between the Reds and the Whites, 1917-1920.* Trans. T.J. Portice (Philadelphia, 2011), pp.240-245; M.C. Hickey, 'Smolensk's Jews in War, Revolution, and Civil War', in in Badcock, Novikova and Retish (eds.), *Russia's Home Front*). Such sentiments were exacerbated during the First World War as tsarist officials sought to make the Jews scapegoats for the poor handling of military operations and failure to organise effective food supply to the population (M.K. Stockdale, 'Mobilizing the Nation: Patriotic Culture in Russia's Great War and Revolution, 1914-1922, in M. Frame et al. (eds.), *Russian Culture in War and Revolution, 1914-1922. Book Two: Political Culture* (Bloomington, 2014), pp.17-18; S. Badcock, 'Autocracy in Crisis: Nicholas the Last ', in I. Thatcher (ed.), *Late Imperial Russia: Problems and Prospects : Essays in Honour of R.B. McKean* (Manchester, 2005), p.12; R. D. Warth, *Nicholas II: The Life and Reign of Russia's Last Monarch* (Westport, 1997), p. 132; Lih, *Bread and Authority,* p.37; Holquist, *Making War,* pp.18-19). As the Pale of Settlement became the centre of military operations, Russian authorities accused the local Jews of spying for the Germans (Read, *War and Revolution*, p.27). Meanwhile thousands of Pale inhabitants were forced to evacuate and seek refuge in Russian cities, causing a huge influx of their Jewish populations. They were met with anxiety and resentment by many locals (P. Gatrell, *A Whole Empire Walking: Refugees in Russia During World War One* (Bloomington and Indianapolis, 1999), pp.17-18; Engelstein, *Russia in Flames,* p.56; Read, *War and Revolution*, p.28).

shop after being provoked by the abrasive manner of the shop assistants.[128]

Peasants were not much more trusting of their local shopkeepers than urban citizens were. Baker has described a case from May 1916 whereby three hundred women and youngsters gathered around two shops in the town of Iuankovka, Kharkiv' province, accusing the owners of artificially raising sugar prices.[129] They quickly progressed from words to deeds, smashing the shop windows, damaging property and stealing goods. Two days later, a bigger and angrier crowd gathered around the police station demanding the release of their comrades arrested during the looting. While part of the mob fought the police, the rest went back to the shops, plundering them.

It seems rather unlikely, then, that communities would entrust their local traders with collecting, re-allocating, buying or selling the communal goods overnight. Even the local soviets, made up of workers and peasants themselves, could not be relied upon to regulate the situation rationally without arbitrary interference.[130] There seems little incentive for the traders themselves to work for a consumer commune, fully exposing themselves to the wrath of the locals whenever anything went wrong. Disappearing into the underground as black marketers or even bagmen would presumably present a more tempting prospect than collaboration with the Proletarian Dictatorship.

Conclusion

The First World War marked a crucial turning point in the way the Bolsheviks understood the relationship between capitalism and revolution. Lenin, inspired by social commentary on the latest economic developments in Europe, came to the conclusion that not only the west,

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[128] Raleigh, *Revolution on the Volga*, p.206. A broader overview of urban discontent over private traders is given in Hilton, *Selling to the Masses,* pp.178-179.
[129] Baker, *Peasants, Power, and Place,* pp.38-40. For peasant distrust of local traders, also see Lih, *Bread and Authority,* p.64, and Badcock, *Politics and the People,* p.216.
[130] For example, there were cases of local soviets in 1917 blaming 'speculators' working in food supply for manipulating the market and demanding their punishment. D. Koenker, *Moscow Workers and the 1917 Revolution* (Princeton, 1981), p.252.

but Russia itself was ripe for revolution. He argued that the degradation of capitalism under the new class of corrupt monopolists was a major cause of Russia's woes. Consequently, a revolution was imperative to remove the 'bourgeois' Provisional Government that protected them and to establish worker's control over their activities. In the short term this would end the crisis, and in the longer term it would allow the proletariat to navigate society through the final throes of capitalism and forwards towards socialism. Under the Proletarian Dictatorship the economy was to be neither 'state' nor 'private' as such, but rather a system of total regulation by workers under the direction of the soviets.

The main flaw in Lenin's plan concerned agency. There was no centralised bureaucracy to implement such regulation, nor was there evidence of widespread 'consciousness' among the workers, the soviets, or even among most Bolsheviks. The discrepancy between plan and reality was particularly sharp in the sphere of goods distribution. Antagonised by state intervention in grain procurement, which they saw as increasingly unfair and illegitimate, communities in both towns and villages had been splitting into local groups for self-protection, resisting any outsider intervention in their affairs. Yet Lenin was proposing to immediately introduce an even more ambitious system of food supply involving every single inhabitant of Russia in a mechanism to control the procurement and distribution of all consumer goods.

Furthermore, Lenin completely ignored the figure of the private trader from his plans. This meant overlooking a very delicate situation: the Russian economy was still heavily dependent on traders for the circulation of goods, yet they were increasingly despised by multiple social groups. Large sections of the intelligentsia, the workers and the peasants all saw the merchant as a profiteering crook, revelling in the general misery of the crisis. If the Bolsheviks were to avert the crisis and hold on to power, they desperately needed to fit the traders into their plans and utilise them to the maximum. Yet how to ensure that the 'controllers' from the masses would regulate the shopkeepers fairly and productively, rather than looting and repressing them? How to motivate individuals to join in the communal efforts, and thus stem the rising tide

of bagging and black market activity? The next couple of years would see the party struggle to answer these questions.

Chapter Two: Containing the Petty Bourgeois Plague: The Bolsheviks' First Steps in Trade

On coming to power, the Bolshevik leaders set about drawing up their ideas into decrees which they believed would help guide the proletariat to end the crisis and lay the foundations for socialism. In the meantime they expected that the local soviets and workers would administer the various regions, districts, cities and factories in a 'conscious' manner. In the sphere of goods distribution, this entailed establishing systems of checking and regulation over the commercial milieu, the merchants and co-operative personnel, and nudging them towards forming a nationwide network of consumer communes.

However, local authorities tended to have their own ideas about how these matters should be organised, few if any of which resembled Lenin's. In particular, party chiefs grew increasingly concerned at the perceived widespread tendency for all levels, from regional soviets down to villages and even individual people, to cut themselves off from their surroundings and devote all their energies purely to feeding themselves. In the eyes of the leadership such behaviour was tearing what remained of Russia's economic infrastructure to shreds. However, its warnings and exhortations met with little response in the regions. The party intelligentsia was increasingly faced with a burning question: how to respond when the revolutionary class was not carrying out the revolution 'properly', i.e. in the manner that its moral and cultural superiors had envisaged?

This chapter looks at soviet policy on trade and distribution from the October revolution until the end of 1920. Rather than viewing this as a part of a homogenous system of 'War Communism', it identifies how the party's approach in fact passed through three distinct stages as it grappled to keep up with the unfolding realities of Russia in crisis. The chapter traces these developments through studying three intricately interrelated issues: food procurement, private shops and co-operatives, and bagging. By the end of the period, policy on all these issues had

already assumed forms that would continue to develop and shape the soviet approach to trade, both domestic and international, for years to come.

Part One: First Lessons

Consumer Communes

Despite his hectic life in the weeks following the Bolshevik coup, Lenin's prized project of the consumer commune was never far from his thoughts, and he came back to it repeatedly throughout December. He continued to see it as both the solution to the food-supply crisis in general, and as a way to starve bourgeois 'saboteurs' into co-operation. To a greater extent than Lenin had predicted, civil servants, business owners, specialists and clerks were refusing to recognise the soviet government, and he saw the commune as a tool for forcing them to work.[1] In a draft decree on what would become the Cheka he proposed to force all representatives of the bourgeoisie to carry a worker-consumer book, according to which they would be issued food in accordance with hours worked. However this project did not go much further than Lenin drawing up what the book might look like.[2]

By the end of the month he had developed his ideas on the commune into a draft decree.[3] This was then edited by Alexander Shlikhter as head of the People's Commissariat for Supplies (*Narodnyi*

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[1] On sabotage/strikes see C. Read, *Lenin* (Oxford, 2005), p.202; G. Leggett, *The Cheka: Lenin's Political Police. The All-Russian Extraordinary Commission for Combating Counter-Revolution and Sabotage (December 1917-1922)* (Oxford, 1981), pp.14-15.

[2] V.I. Lenin, 'Note to F.E. Dzerzhinsky with a Draft Decree on Fighting Counter-Revolutionaries and Saboteurs', 7th December 1917 (O.S.), *Collected Works*, vol.26 (Moscow, 1964), pp.374-376: A specimen book was attached. Later on the same day, in a meeting of the Sovnarkom, the Cheka officially came into existence. Lenin returned to the issue around a week later in a draft decree on banks presented to Vesenkha, the central economic organ, again advocating consumer communes as a way of forcing the wealthy to perform labour: 'Draft Decree on the Nationalisation of the Banks and on Measures Necessary for its Implementation', December 1917, *Collected Works*, vol.26, p.392.

[3] Lenin, 'Draft Decree on Consumer Communes', December 1917, *Collected Works,* vol.26, pp.416-417. The details of this draft are outlined on pp.53-54 of this thesis. For a collection of drafts and notes tracing the development of the policy on co-operatives between late 1917 and April 1918 see *Dekrety Sovetskoi Vlasti*, vol.2 (Moscow, 1959), pp.77-91.

Komissariat Prodovol'stviia, henceforth Narkomprod).[4] This was the central organ the Bolsheviks created to replace the Provisional Government's Ministry of Supplies in overseeing the distribution of goods on a national level.[5] Shlikhter's version tried to remain loyal to the spirit of Lenin's idea, while adapting it to the existing structures inherited from the previous regime. Lenin's scheme had implied that a board of responsible locals would run each commune independently, with the local soviet on hand to offer advice and guidance. Shlikhter instead sought to make the boards answerable through an existing bureaucratic chain of command to the Narkomprod centre.[6] This infrastructure indeed remained operational in many areas, though as of yet its officials answered to the former Ministry chiefs, if to anyone at all.[7] Furthermore, Shlikhter stated that the boards were to continue to abide by the former government's grain monopoly and fixed price policies when buying and selling bread between themselves, issues on which Lenin had hitherto been silent.[8]

Central attempts to implement this plan quickly foundered, as it was promptly rejected by the directors of the co-ordinating bodies of the co-operatives, like the Tsentrosoiuz.[9] The co-operatives were supposed

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[4] Published in *Izvestiia*, no. 14, 19th January 1918, p.3. The Peoples' Commissariats (or *Narodnyi Kommissariati* in Russian, narkomaty for short) were the Soviet government's equivalent of ministries between 1917 and 1946. There were initially thirteen commissariats. The heads of these, the People's Commissars (*narodnyi kommisari*, narkomy for short), together with a chairman (Lenin until 1924) and a secretary, made up the Council of People's Commissars (*Sovet Narodnykh Komissarov,* henceforth Sovnarkom), similar to a cabinet of ministers. See T.H. Rigby, *Lenin's Government: Sovnarkom, 1917-1922* (Cambridge, 1979); L. Douds, *Inside Lenin's Government: Ideology, Power and Practice in the Early Soviet State* (Bloomsbury, 2018).
[5] L.T. Lih, *Bread and Authority in Russia, 1914-1921* (Berkeley, 1990), p.121; A. Banerji, *Merchants and Markets in Revolutionary Russia, 1917-1930* (Basingstoke, 1997), p.17.
[6] Though the boards were still to remain under the direction and supervision of the local soviets as well as being answerable to Narkomprod.
[7] For example in Viatka and Saratov provinces there were many cases of food-supply officials continuing to implement old Provisional Government policies or formulating their own: A.B. Retish, *Russia's Peasants in Revolution and Civil War: Citizenship, Identity, and the Creation of the Soviet State, 1914-1922* (Cambridge, 2008), pp.132-135; p.165; D.J. Raleigh, *Experiencing Russia's Civil War: Politics, Society and Revolutionary Culture in Saratov, 1917-1922* (Princeton, 2002), pp.293-294.
[8] On Narkomprod's continuation of Provisional Government food-supply policies after the revolution see P. Holquist, *Making War, Forging Revolution: Russia's Continuum of Crisis, 1914-1921* (Cambridge, Massachusetts and London, 2002), p.246; S. Malle, *The Economic Organization of War Communism, 1918-1921* (Cambridge, 1985), p.379. Lenin's silence on the matter of prices is discussed on p.54, footnote 73 of this thesis.
[9] Pp.50-51 of this thesis briefly outline the structure of the Russian co-operative movement.

to form the basis of the communes. The logical error implicit in Lenin's thinking now exposed itself: the commercial bourgeoisie were needed to set up the communes, but the way to make them do so assumed a pre-existing commune system controlling their access to food.[10] As it was, co-operative leaders had very little incentive to see all their member societies nationalised and forced to serve entire communities for free, and they demanded more lenient terms. What Lenin had expected to be a straightforward act now became a protracted negotiation, which would be resolved, not very satisfactorily for either side, only in April 1918.

Local Policies

Meanwhile local soviets did not take the initiative to organise consumer communes at ground level. According to the decree, the soviets were responsible for equipping each community with a commune, either through nationalising local co-operatives, or creating new structures. Lenin had built his plans on the assumption that all soviets would be dominated by Bolsheviks who were imbued with revolutionary consciousness, and would thus prove fully responsive to his views on organising food supply.[11] In many regions, especially rural areas, the party was in fact poorly represented in the soviets. Election results for 504 northern *volosti* (political units made up of several villages) between December 1917 and May 1918 show the Bolsheviks on average had only 18% of the votes, whereas non-party deputies had 64.1.%.[12] Aaron Retish has noted the lack of Bolshevik influence in Viatka province, especially the further one descended from regional to village level.[13] Even where Bolsheviks were in power, they did not necessarily share the vision of the party leadership. In Saratov local Bolsheviks declared the province an independent republic, ignoring the centre until early 1919.[14] Many districts and villages within the province in turn declared

[10] This error is discussed on pp.55-56 of this thesis.
[11] See p.47 of this thesis.
[12] Malle, *Economic Organization,* p.367.
[13] Retish, *Russia's Peasants,* pp.132-136. According to Figes, this was typical throughout the Volga region: O. Figes, *Peasant Russia, Civil War: The Volga Countryside in Revolution (1917-1921)* (Oxford, 1989), pp.70-71.
[14] Raleigh, *Experiencing Russia's Civil War,* p.54.

themselves independent, creating their own sovnarkomy and beginning to formulate policies on both domestic and foreign affairs.[15]

The multitude of regional, district and village soviets throughout the republic's territory all set about dealing with the food-supply crisis in their own ways. They were generally inward-looking, interested only in supplying their own populations with food. While Lenin's solution was indeed based on the principle of individual communities self-organising to meet their own needs, these were supposed to be outward-looking, ready to co-operate with other groups for mutual benefit.[16] Instead many peasants who found themselves with extra grain on their hands preferred to find some local use for it than exchange it with outsiders, there being nothing to exchange it for except deflated currency.[17] Some made grain alcohol (*samogon*), others donated it to the soviet to feed the local poor.[18] Meanwhile soviets in hungry regions, especially cities, set about arming workers to go out and seize food from the village at gunpoint. This in turn further fostered the peasants' resentment towards the cities and made them withdraw into the village even more.[19]

As Lenin's project required the organisation of the whole population into communes for the rational administration of consumption, it needed the tens of thousands of itinerant bagmen and speculators roaming Russia's roads to promptly cease their activities and settle down in a specific locality.[20] It is hard to know what individual soviets could have done in autumn 1917 to significantly reduce the number of bagmen. It would probably have required a nationwide removal of most wartime restrictions on the open market for this underground sector to

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[15] Raleigh, *Experiencing Russia's Civil War,* pp.75-80; Figes, *Peasant Russia,* pp.61-73. This could also be the case with urban soviets: M. Borrero, *Hungry Moscow: Scarcity and Urban Society in the Russian Civil War, 1917-1921* (New York and Oxford, 2003), p.41. On *sovnarkomy* and the structure of the central Soviet government see p.74, footnote 4 of this thesis.
[16] See pp.53-54 of this thesis.
[17] A.Iu. Davydov, *Meshochniki: Nelegal'noe Snabzhenie Rossiiskogo Naseleniia i Vlast', 1917-1921 gg.* (Saint-Petersburg, 2002), p.61; E.H. Carr, *The Bolshevik Revolution, 1917-1923,* vol.2 (Harmondsworth, 1966), p.148. The peasants' reluctance was also because their sense of patriotic goodwill had been eroded by what they felt to be unfair treatment by previous governments. See pp.50, 56, 70 of this thesis.
[18] Figes, *Peasant Russia,* pp.90, 97-98.
[19] Borerro, *Hungry Moscow,* pp.40-43; Holquist, *Making War,* p.246; Retish, *Russia's Peasants,* p.167; Figes, *Peasant Russia,* p.100; Banerji, *Merchants and Markets,* p.18.
[20] See p.66 of this thesis.

slowly become redundant. As it was most of the soviets took measures which only served to increase the number of these travellers. Many regions actively utilised them as the only effective way of procuring food.[21] Soviets issued bagmen with cash or goods to go and buy grain in other regions, and sought to protect them along their journey, giving them signed mandates and, in some cases, even bodyguards.[22] This was common throughout the Volga regions, especially in Kazan' province, where local authorities had a particularly close relationship with the bagmen. Retish has traced how the Kazan' soviet even sent armed brigades into neighbouring Viatka province, to protect bagmen in its southern Tatar regions.[23]

While some soviets tried to resolve the crisis by endorsing the bagmen, others released their pent up hostility towards the more established private shops. Many shopkeepers found their stocks confiscated, their businesses shut down and themselves forced to pay enormous taxes.[24] This went in the face of central instructions to just regulate private shops, ensuring they served the needs of the local populace until they could be merged into the commune system.[25] As for contributions, Lenin had stressed, in a declaration to the nation less than two weeks after the revolution, that there would be no new taxes for the time being, and promised that existing rates would be collected fairly and transparently.[26] Then, on the 24th November (O.S.) Sovnarkom had formally extended the Provisional Government's tax on private enterprises, made up of an income tax, a war profits tax and a business

[21] Davydov, *Meshochniki,* p.203; P. Fraunholtz, 'The Collapse and Rebuilding of Grain Procurement Authority in Civil War Russia: The Case of Penza, 1919', in S. Badcock, L.G. Novikova, and A.B. Retish (eds.), *Russia's Home Front in War and Revolution, 1914-1922. Book 1: Russia's Revolution in Regional Perspective* (Bloomington, 2015), p.71; Figes, *Peasant Russia,* p.94; Fraunholtz, 'The Collapse', p.71; I. Narskii, *Zhizn' v Katastrofe: Budni Naseleniia Urala v 1917-1922 gg.* (Moscow, 2001), p.215.
[22] Retish, *Russia's Peasants,* pp.169-170; Davydov, *Meshochniki,* p.212.
[23] Retish, *Russia's Peasants,* pp.169-170.
[24] Raleigh, *Experiencing Russia's Civil War,* pp.248-251; J. Hessler, *A Social History of Soviet Trade* (Princeton, 2004), pp.24-25; S.A. Smith, *Russia in Revolution: An Empire in Crisis, 1890-1928* (Oxford, 2017), p.236; Narskii, *Zhizn' v Katastrofe,* p.243.
[25] Hessler, *A Social History,* p.25. Also see p.67 of this thesis.
[26] 'Obrashchenie Predsedatel'ia Soveta Narodnykh Komissarov K Naseleniiu' (Appeal by the Chairman of the Council of People's Commissars to the Population), 5th November 1917 (O.S.), *Dekrety Sovetskoi Vlasti*, vol.1 (Moscow, 1957), p.51.

tax that together consumed 90% of their profits.[27] Lenin had been consistently clear that capitalists should be left with at least some profit as an incentive to remain in business.[28]

Traders were not immune to physical forms of victimisation either. Some soviets took merchants hostage in a bid to ensure good behaviour from the rest of the local bourgeoisie. They were subjected to threats, imprisonment, torture, and forced to perform humiliating work by various local authorities.[29] Those who remained in business did not see their prospects as particularly bright, and responded by shutting up shop and scaling down operations to the size of a sack.[30] As the remaining commercial structures began to fall apart, populations were forced ever more to rely on bagman trade.[31] By mid-1918 Narkomprod estimated there were over a million baggers active across the republic, swarming transport routes, villages and street markets.[32]

The gap between elite visions and local actions existed in various other areas of policy besides food supply. Industry was another particularly problematic area. The first half a year of soviet rule saw workers' committees increasingly take over the management of industrial enterprises. The committees were groups of workers, many of which had already come together before October to try to run their factories themselves after their employers had attempted to close them down due to alleged unprofitability.[33] The formation of these groups received a new

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[27] 'Dekret o Vzimanii Priamykh Nalogov' (Decree on the Levy of Direct Taxes), 24th November 1917 (O.S.), *Dekrety Sovetskoi Vlasti*, vol.1 (Moscow, 1957), pp.141-142. This is discussed in Y. Kotsonis, *States of Obligation: Taxes and Citizenship in the Russian Empire and Early Soviet Republic* (Toronto and London, 2014), pp.308-309.
[28] Kotsonis, *States of Obligation,* pp.308-309. Lenin had expressed strong opinions on this matter earlier in the year: 'Inevitable Catastrophe and Extravagant Promises', May 1917, *Collected Works,* vol.24 (Moscow 1964), pp.424-430, and 'War and Revolution', May 1917, *Collected Works,* vol. 24, pp.413-414.
[29] Raleigh, *Experiencing Russia's Civil War,* pp.248-251; Hessler, *A Social History*, pp.24-25; Smith, *Russia in Revolution*, p.236; Narskii, *Zhizn' v Katastrofe,* p.243.
[30] Hessler, *A Social History,* pp.24-25, 28-29; Smith, *Russia in Revolution* p.236; A.M. Ball, *Russia's Last Capitalists: The Nepmen, 1921-1929* (Berkeley, 1987), p.7.
[31] Davydov, *Meshochniki,* p.58.
[32] Malle, *Economic Organization,* p.379.
[33] On workers' committees see R.V. Daniels, *The Conscience of the Revolution: Communist Opposition in Soviet Russia* (London, 1960), pp.82-83; D. Mandel, *The Petrograd Workers and the Fall of the Old Regime: From the February Revolution to the July Days, 1917* (London, 1983), especially p.137; S.A. Smith, *Red Petrograd: Revolution in the Factories 1917-1918* (Cambridge, 1983). Smith argued that the bosses' attempts to close were often bids to intimidate the politically assertive workers into submission

impetus following the proclamation of the workers' government, and a Sovnarkom decree 'On Workers' Control' of November 14th (O.S.), which formally assigned committees extensive authority over their workplaces.[34] The decree had only licensed workers to supervise their bosses, forcing them to remain at work and ensuring they conducted affairs in a socially responsible manner. However, many committees took over actual management, and huge numbers of those bosses who had hitherto remained now fled the scene.[35]

With the owners gone and senior management on strike, the workers lacked the technical skill and knowledge to operate their enterprises effectively. Besides this, they, like the peasants, tended to take an inward-looking stance, seeking to utilise the factory primarily to serve the workforce, rather than in the interests of the wider economy. In some cases they just appropriated the funds and sold off stock for their own advantage.[36] Committees of collapsed companies appealed to their local soviets to nationalise them and thus take on their responsibilities.[37] This resulted in a chaotic outcome whereby soviets were increasingly forced to co-ordinate their local industries while only having direct control over scattered individual enterprises, the others remaining for the time being in workers' or private hands.[38]

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masked behind warnings of bankruptcy (also see Read, *War and Revolution*, p.97; and C. Read, *From Tsar to Soviets: The Russian People and Their Revolution, 1917-21* (London, 1996), p.245).

[34] 'Polozhenie VTsIK i SNK o Rabochem Kontrole' (Law of VTsIK and SNK on Workers' Control), 14th November 1917 (O.S.), *Dekrety Sovetskoi Vlasti,* vol.1, pp.77-85; Daniels, *The Conscience,* p.83.

[35] Daniels, *The Conscience,* p.83. On the workers' control decree merely permitting supervision see B. Williams, *Lenin* (Harlow, 2000), p.86 (though she argues it was decidedly broad supervision). On the definition of control as supervision also see pp.18-19, 42 of this thesis.

[36] Carr, *The Bolshevik Revolution,* vol.2, pp.69-72; R. A. Wade, *The Russian Revolution, 1917,* 3rd ed. (Cambridge, 2017), pp.267-270; S. Fitzpatrick, *The Russian Revolution,* 3rd ed. (Oxford, 2008), pp.79-80; Daniels, *The Conscience,* pp.82-83.

[37] R. Pipes, *The Russian Revolution, 1899-1919* (London, 1990), pp.691-692.

[38] Smith, *Russia in Revolution,* pp.219-223; Malle, *Economic Organization,* pp.49-55.

Blaming the Petty Bourgeoisie

Lenin undertook a serious reappraisal of the situation in the spring of 1918. Having signed the Brest Treaty with Germany in the belief that this would ensure external peace for the time being, he vented his pent up frustration about the economic chaos at home.[39] He blamed the petty bourgeoisie, arguing that, unable to see beyond their own narrow interests, they were letting the wider economy fall to pieces.[40] He attacked "petty-bourgeois laxity and anarchism, or small-proprietor "it's not my business" psychology" and lamented "...the tenacity of the *small-proprietor* outlook, namely, I'll grab all I can for myself; the rest can go hang".[41] By petty bourgeoisie and small proprietor Lenin meant several things at once. On one level he was denouncing the narrow-minded behaviour of all soviets, organisations and enterprises that pursued their own interests without taking into account the national economy. He criticised mindless requisitions which left businesses with nobody to run them, and lamented the proletariat's failure to organise nationwide control and accountancy, making it impossible to force the capitalists to co-operate.[42] On another level Lenin was directly blaming the hundreds of thousands of individual bagmen and speculators for the supply crisis. By pursuing their own selfish interests and buying and selling goods individually they made any organised solution impossible, as they hoarded food, drove up prices, and congested transport.[43] Lenin even viewed these petty traders as the main enemy of soviet power:

[39] On the Brest Treaty see p.129 of this thesis.
[40] Lenin 'The Immediate Tasks of the Soviet Government', April 1918, *Collected Works,* vol.27 (Moscow, 1965), pp.235-277, and '"Left-Wing" Childishness', May 1918, *Collected Works,* vol.27, pp.323-334.
[41] Lenin, 'The Immediate Tasks', pp.267, 272. See also Lenin, 'Speech in the Moscow Soviet of Workers', Peasants' and Red Army Deputies', 12th March 1918, *Collected Works,* vol.27, p.232.
[42] Lenin, 'The Immediate Tasks', especially pp.244-253.
[43] Lenin, 'Meeting of the Presidium of the Petrograd Soviet with Delegates from the Food Supply Organisations', 14th January 1918 (O.S.), *Collected Works,* vol.26, pp.501-502; Leggett, *The Cheka,* p.14. Thirdly, by 'petty bourgeoisie' Lenin also meant any political opponent of his developing ideas on centralisation (see pp.89-93 of this thesis) and any advocate of continuing the present methods.

> The profiteer, the commercial racketeer, the disrupter of monopoly—these are our principal "internal" enemies, the enemies of the economic measures of Soviet power.[44]

This new idea of the petty bourgeoisie, and in particular the casual trader, as the main enemy of the revolution marked a sea change in the way the Bolshevik leadership conceived of their class enemies and of the prospects for socialism in general.[45] Lenin had previously argued that it was the financial magnates who owned the factories, mines and railways that were causing all Russia's wartime miseries. He claimed they were involved in webs of despicable conspiracies to enrich themselves at the expense of society, and his solution was to abolish commercial secrecy and subject them to stringent regulations.[46] At the beginning of December Lenin still spoke in this vein, and accused the big monopolistic bourgeoisie of causing the food crisis through "sabotage".[47] Similarly, Zinoviev spoke of it as "a definite plan, worked out in the quiet of bourgeois offices a long time ago".[48] However by mid-January 1918 Lenin was already shifting his outrage to simple speculators. At a meeting of the presidium of the Petrograd soviet over the grave lack of bread, he referred to "monstrous" speculation and called for perpetrators to be "shot on the spot".[49]A month later an Extraordinary Commission headed by Trotsky announced "a most resolute struggle against bagging" and demanded all soviets set up detachments along the railway lines, confiscating any food from travellers that exceeded half a *pud* (around eight kilograms).[50] At this time leaders made little distinction between speculators and bagmen, even though there seems to have been a widespread understanding that the former were trading for profit, the

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[44] Lenin, '"Left-Wing" Childishness', pp.335-336.
[45] The shift in emphasis has also been noted by Lih, *Bread and Authority,* p.150 and Hessler, *A Social History,* p.29.
[46] See pp.41-42 of this thesis.
[47] Lenin, 'Note to F.E. Dzerzhinsky', p.374.
[48] Quoted in Lih, *Bread and Authority*, p.154.
[49] Lenin, 'Meeting of the Presidium'. The demand for shooting on the spot would soon be repeated in the more famous decree 'The Socialist Fatherland is in Danger' of the following month (21st February 1918) (*Collected Works,* vol.27, p.33).
[50] Carr, *The Bolshevik Revolution,* vol.2, p.119; Malle, *Economic Organization,* p.350; Borrero, *Hungry Moscow,* p.92. A *pud* is equal to 16.38 kilograms: V.B. Yakovlev, 'Development of Wrought Iron Production', *Metallurgist,*1 (8), 1957, p.546.

latter for need.[51] Legislation merged them together as 'speculators-bagmen'.[52] Policy makers treated both as selfish individuals bent on pursuing their own narrow consumer interests instead of working with their local communities to find an organised solution.[53]

In portraying petty traders as the main enemy, Lenin was effectively admitting that the Russian economy had slid backwards in the first six months of soviet power. In an analysis of the country's level of development, he drew up the following table of stages, ascending from 1), the most primitive, to 5), the most advanced:

1) patriarchal, i.e., to a considerable extent natural, peasant farming;
2) small commodity production (this includes the majority of those peasants who sell their grain);
3) private capitalism;
4) state capitalism;
5) socialism.[54]

Lenin's pre-October works had assumed that the Russian economy possessed, or at least was close to possessing, an extensive state capitalist infrastructure.[55] He argued that the proletariat would use this to impose regulation over the monopolists and guide the economy towards socialism. He now claimed that all five stages existed simultaneously, in different sectors of the economy. The current mission was to fight the private capitalists and the small producers (the speculators and the

[51] Davydov, *Meshochniki,* pp.10-11; Borrero, *Hungry Moscow,* p.91.
[52] 'O Predostavlenii Narodnomu Komissaru Prodovol'stviia Chrezvychainykh Polnomochii po Bor'be c Derevenskoi Burzhuaziei, Ukryvaiushchei Khlebnie Zapasy i Spekuliruiushchei Imi' (On the Granting to the People's Commissariat for Supplies Extraordinary Sanctions for the Fight against the Rural Bourgeoisie, Hiding Bread Reserves and Speculating with them), 9th May 1918, *Sistematicheskii Sbornik Vazhneishikh Dekretov, 1917-1920* (Moscow, 1920), p.156.
[53] Davydov, *Meshochniki,* p.58. The concepts of bagman and speculator merged in surprising ways in the minds of some party agents: in the beginning of November 1917 a local cell wrote the following to the Cheliabinsk party organisations: "This is anarchy! The starving (the speculators) are taking all the bread from the peasants and hugely inflating the prices". From Narskii, *Zhizn' v Katastrofe,* pp.212-213.
[54] Lenin, '"Left-wing" Childishness', pp.335-336.
[55] See p.49 of this thesis.

kulaki, rich peasants who sold their surplus privately) in order to impose state capitalism over the whole economy.

The petty trader as the main adversary, the arch-enemy, and a symbol of everything wrong in Soviet Russia sat well with the Bolshevik leadership's natural instincts. Russia had never possessed an advanced commercial sector run by huge monopolists, and it had chiefly been the individual trader who had epitomised the bourgeoisie's moral corruption in the eyes of the late-imperial intelligentsia.[56] Just as the *narodniki* had imagined themselves embroiled in a war of influence with the petty capitalist for the souls of the people, Lenin was now not only calling for a fight against actual instances of hoarding or profiteering, but also a fight against the very mentality behind them:

> ...the fight to break with the rotten past, which taught the people to regard the procurement of bread and clothes as a "private" affair, and buying and selling as a transaction "which concerns only myself"—is a great fight of world-historic significance, a fight between socialist consciousness and bourgeois-anarchist spontaneity.[57]

For Lenin, this mindset threatened to corrupt the workers and compromise the entire soviet project:

> We know that the million tentacles of this petty-bourgeois hydra now and again encircle various sections of the workers, that, *instead of state monopoly*, profiteering forces its way into every pore of our social and economic organism.[58]

Lenin increasingly adopted such medical language to describe this war of influence, describing the petty-bourgeois mentality as a contagious disease that could infect the proletariat's morals. This line of thought can be traced back to the eve of the revolution, when he still spoke of a straightforward take-over of the state apparatus from the big

[56] See Chapter 1, Part 3 of this thesis.
[57] Lenin, 'The Immediate Tasks', p.254.
[58] Lenin, '"Left-Wing" Childishness', p.337.

bourgeoisie. At this time a simple clean amputation was all that was required:

> the capitalists and the wires they pull must be *cut off*, *lopped off*, *chopped away from* this apparatus.[59]

By the end of December he was urging the workers to organise control as a means of containing "*the rich, the rogues, the idlers and the rowdies*", whom he described as:

> these survivals of accursed capitalist society, these dregs of humanity, these hopelessly decayed and atrophied limbs, this contagion, this plague, this ulcer that socialism has inherited from capitalism.[60]

By June 1918 Lenin's language suggested an acceptance that, with the failure of workers' control, the infection had already started to set in:

> when the old society perishes, you can't nail up its corpse in a coffin and bury it. It disintegrates in our midst; this corpse rots and infects us.[61]

The Contagion of Trade and International Modernity

The idea of the trading mentality as a contagious disease would come to shape how party officials viewed commercial activity in Soviet Russia for years to come, and would strongly influence their policies as they sought to 'contain' the 'infection'. However, this metaphor was neither a Marxist nor a Russian invention.[62] The human body had become a popular device for understanding society throughout nineteenth-century Europe,

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[59] Lenin, 'Can the Bolsheviks Retain State Power', 14th October 1917 (O.S.), *Collected Works,* vol.26, p.106.
[60] Lenin, 'How to Organise Competition', December 1917, *Collected Works,* vol.26, p.410. In the same work he described "the single common aim": "to *clean* the land of Russia of all vermin, of fleas—the rogues, of bugs—the rich, and so on and so forth" (p.414).
[61] Lenin, 'Report on Combating the Famine', 4th June 1918, *Collected Works,* vol.27, p.434.
[62] See discussion on Russian exceptionalism in the Introduction to this thesis, section 'Bolshevik Theory and International Modernity'.

following new developments in physiology and sociology.[63] It was invoked, for example, by both Herbert Spencer and Adolphe Quetelet in their social theories.[64] With the rise of epidemiology from the middle of the century, commentators started to identify 'undesirable' social groups in terms of a disease which threatened to spread to the rest of the population.[65] Long before Lenin, Victorian thinkers had identified street traders, along with other social sub-groupings like thieves and prostitutes, as being the source of a social infection. Not employed in any productive way, commentators feared that these individuals would lure the industrious proletariat to their idle way of life. Stockbroker and evangelical preacher Thomas Plint commented in 1851:

> The criminal class lives amongst… the operative [working] classes, whereby they constitute so many points of vicious contact with those classes - so many ducts by which the virus of a moral poison circulates through and around them... They constitute a pestiferous canker in the heart of every locality where they congregate, offending the sight, revolting the sensibilities, and lowering, more or less, the moral status of all who come into contact with them.[66]

In the same year social researcher Henry Mayhew portrayed the peddlers of London as parasites on the industrious classes, as they produced nothing themselves and merely circulated the fruits of other peoples' labour.[67] He contrasted their healthy physiques, gained from their travels on foot, with the ailing disposition of the labourers, comparing this state of affairs with a body with too much blood diverted to its muscles at the expense of its brain.

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[63] D.L. Hoffman, *Cultivating the Masses: Modern State Practices and Soviet Socialism, 1914-1939* (Ithaca and London, 2011), p.72; C. Gallagher, 'The Body Versus the Social Body in the Works of Thomas Malfus and Henry Mayhew', *Representations,* 14 (1), 1986, p.83.
[64] Hoffman, *Cultivating the Masses,* p.72.
[65] Hoffman, *Cultivating the Masses,* pp.6, 72-3, 242; B. Godfrey and S. Lawrence, *Crime and Justice since 1750,* 2nd ed. (London and New York, 2015), p.116; D. Beer, *Renovating Russia: The Human Sciences and the Fate of Liberal Modernity, 1880-1930* (Ithaca and London, 2008), pp.135-138; D.J.K. Peukert, 'The Genesis of the "Final Solution" from the Spirit of Science', in T. Childers and J. Caplan (eds.), *Reevaluating the Third Reich* (Boulder, 1993), pp.237-238.
[66] Quoted in Godfrey and Lawrence, *Crime and Justice*, p.116.
[67] H. Mayhew, *London Labour and the London Poor* (London, 1861-1862). Discussed in Gallagher, 'The Body'.

It was not only street traders that western liberals spoke of as a source of infection. Bigger enterprises also came under fire as hotbeds of corruption.[68] An article from the *Illustrated London News* from 1843 complained:

> On every side of us we see perpetually - fraud, fraud, fraud. There seems scarcely to be a branch of commerce that has escaped taint and infection.[69]

In a 1913 book *How Criminals are Made and Prevented,* Reverend J.W. Horsley recounted from his experience of hearing confessions how shop clerks were morally corrupted by their employers:

> How terribly common it is for employers to induce, and practically to force, employees to lie and deceive the public under penalty of losing favour or promotion, or even employment, is well known to those to whom shop-assistants and clerks come with their cases of conscience….and then, if the clerk or shop-girl eventually dips into the till the employer who has made this possible poses as an injured innocent and prosecutes![70]

The rhetoric of epidemiology would be taken to a new extreme by Nazi theorists. The 'disease' was no longer an antisocial and unproductive mindset or occupation, but an entire race of people.[71] When a Nazi doctor was asked how he could reconcile his Hippocratic oath with the existence of the gas chambers, he answered as follows:

> Of course I am a doctor and I want to preserve life. And out of respect for human life, I would remove a gangrenous appendix from

[68] On depictions of big business as corrupt, see also pp.39-40 of this thesis.
[69] *Illustrated London News,* 2nd December 1843. Cited in J.P. Locker and B. Godfrey, 'Ontological Boundaries and Temporal Watersheds in the Development of White-Collar Crime', *British Journal of Criminology,* 46 (6), 2006, pp.979-980.
[70] J.W. Horsley, *How Criminals are Made and Prevented: A Retrospect of Forty Years* (London, 1913), cited in Robb, *White-Collar Crime,* p.136.
[71] Peukert, 'The Genesis'.

> a diseased body. The Jew is the gangrenous appendix in the body of mankind.[72]

Hans Frank, the German governor of Poland during the occupation, said thus:

> "the Jews were a lower species of life, a kind of vermin, which upon contact infected the German people with deadly diseases".

Meanwhile *Mein Kampf* contained many ravings about the Jew as the agent of "racial tuberculosis", "bacteria causing sickness", and as the "germ carrier", "peoples' parasite", and the "maggot in the rotting corpse".

The rhetoric of epidemiology carried with it the implication that the social infection needed to controlled and contained.[73] In Victorian Britain, policy-makers sought to resolve the problem of the 'idle' poor through the legal and justice systems, branding them the 'criminal classes' and pursuing their incarceration.[74] During the First World War social commentators became increasingly enthusiastic about the state's potential for control, inspired by the unprecedented intervention by belligerent governments in citizens' healthcare, education, consumption

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[72] These Nazi quotes are all from R.J. Lifton, *The Nazi Doctors: Medical Killing and the Psychology of Genocide* (New York, 1986), pp.15-16. The similarity between Soviet and Nazi use of medical language has been noted in J. Ryan, 'The Sacralization of Violence: Bolshevik Justifications for Violence and Terror during the Civil War', *Slavic Review,* 74 (4), 2015, p.827. See also Peukert, 'The Genesis'.

[73] Hoffman, *Cultivating the Masses,* p.6; Godfrey and Lawrence, *Crime and Justice,* p.116.

[74] M. Foucault, *Discipline and Punish: The Birth of the Prison.* Trans. A. Sheridan (New York, 1995). See also Godfrey and Lawrence, *Crime and Justice,* and V.A.C. Gatrell, 'Crime, Authority and the Policeman- State', in F.M.L. Thompson (ed.), *The Cambridge Social History of Britain 1750-1950. Vol.3: Social Agencies and Institutions* (Cambridge, 1990). This was part of a wider interest in social engineering in nineteenth-century Britain. Other experiments took place in the colonies, where the empire was able to subject 'inferior' peoples to forced deportations and concentration camps: C. Chatterjee, 'Imperial Incarcerations: Ekaterina Breshko-Breshkovskaia, Vinayak Savarkar, and the Original Sins of Modernity', *Slavic Review*, 74 (4), 2015; A. Forth, 'Britain's Archipelago of Camps: Labor and Detention in a Liberal Empire, 1871–1903', *Kritika: Explorations in Russian and Eurasian History*, 16 (3), 2015; S. Badcock, *A Prison Without Walls?: Eastern Siberian Exile in the Last Years of Tsarism* (Oxford, 2016), pp.18-21; H. Arendt, *The Origins of Totalitarianism* (New York, 1973), p.123; J.C. Scott, *Seeing like a State: How Certain Schemes to Improve the Human Condition have Failed* (New Haven, 1998), p.378.

and labour.[75] This preoccupation with state-administered social engineering culminated in the Holocaust, with Nazi attempts to organise the murder of the entire Jewish people.[76]

As for Lenin, he appeared to have no qualms about executing particularly recalcitrant members of the petty bourgeoisie in order to bring the rest into line.[77] However, he never envisaged anything like a 'final solution' in terms of the physical destruction of all representatives of the enemy class, nor did he see their negative character traits as genetic defects in need of breeding out.[78] He believed that through working hard and lending their expertise to the state, they would lose their class colouring and be rehabilitated into society.[79] Lenin did,

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[75] I. Cawood and D. McKinnon-Bell, *The First World War* (London, 2002), ch.5; R. Bessel, 'The First World War as a Totality', in R.J.B. Bosworth (ed.), *The Oxford Book of Fascism* (Oxford, 2010).

[76] On the Holocaust as the logical culmination of the 'Modern' preoccupation with social engineering see Z. Bauman, *Modernity and the Holocaust* (Cambridge, 1989).

[77] Lenin advocated the execution of such individuals in the following works: 'The Impending Catastrophe and How to Combat it', 10-14th September 1917 (O.S.), *Collected Works,* vol. 25, p.345; 'The Socialist Fatherland is in Danger', p.33. Also see R. Pipes (ed.), *The Unknown Lenin: From the Secret Archive* (London and New Haven, 1996).

[78] This sentence relates to debates in the early 2000s comparing Nazi and Soviet totalitarianism. Following the increased access to Soviet archival materials after the collapse of the USSR, historians published new evidence of the political repressions conducted by the Soviet government. For example S. Courtois et al., *The Black Book of Communism: Crimes, Terror, Repression* (Trans. J. Murphy and M. Kramer), (Cambridge, Massachusetts, 1999). A debate ensued, largely initiated by Martin Malia, who argued that Soviet authoritarianism had been at least, if not more, deadly than Nazism (see for example M. Malia, 'Judging Nazism and Communism', *National Interest*, 69, 2002, pp.63-67, and for a critique of his position: M. David-Fox, 'On the Primacy of Ideology: Soviet Revisionists and Holocaust Deniers', *Kritika: Explorations in Russian and Eurasian History*, 5 (1), 2004, pp.81-105). Meanwhile in *Slavic Review* (61 (1), 2002) an attempt by E. Weitz to compare Nazi and Soviet racial policy ('Racial Politics without the Concept of Race: Reevaluating Soviet Ethnic and National Purges', pp.1-29) was rebutted by F. Hirsch ('Race without the Practice of Racial Politics', pp.30-43) and A. Weinar ('Nothing but Certainty', pp.44-53) who both argued that such a comparison is unhelpful as the Soviet state never pursued genocide, only excision. Its aim was to liquidate the abstract concept of social classes and not the physical destruction of entire nationalities.

[79] In this Lenin was consistent throughout his works. In his writings from May 1917 he speaks of merely taxing capitalists and giving them new roles in the government where they could use their expertise ('Inevitable Catastrophe', pp.428-429; 'How the Capitalists are trying to Scare the People', 19th May 1917 (O.S.), *Collected Works,* vol.24, pp.439-440). Then from September 1917 in his plan for a universal consumption network Lenin proposed forcing the bourgeois class to work for their food on the same basis as everyone else, which would eventually lead to all people being equal ('The State and Revolution', September 1917, *Collected Works,* vol.25, pp.464-479; 'The Impending Catastrophe', pp.350-353). Lenin believed right up to the end of his life that bourgeois specialists would willingly join the Soviet cause on gaining a full understanding of it ('Report on the Party Programme' from the Eight Congress of the R.C.P.(B.), 19th March 1919, *Collected Works,* vol.29 (Moscow, 1965), p.180; 'Role and Functions of the Trade Unions Under the New Economic Policy', 30th December 1921 - 4th January 1922, *Collected Works,* vol.33, p.194). Lenin's belief in the rehabilitation of the bourgeoisie has also been noted in K.E.

nevertheless, still believe in a powerful state to coerce the bourgeoisie into co-operation where necessary. In his initial theory, the conscious proletariat were supposed to surround the merchants from all sides and force them to work for the good of society. However with the workers themselves now proving vulnerable to infection, this coercion would have to come from another direction.

Part Two: The Leadership's Response: Short-Term Centralisation

Asserting the Power of Central Organs

The party leadership reacted by taking affairs into their own hands, mobilising the existing government infrastructure where possible, and creating new channels of control elsewhere. In Lenin's writings, terms like "proletarian consciousness" and "self-organisation" started to be replaced by "coercion", "compulsion", "discipline" and "dictatorship":

> ...it would be extremely stupid and absurdly utopian to assume that the transition from capitalism to socialism is possible without coercion and without dictatorship.[80]

This change of heart quickly began to be reflected in all areas of soviet policy.[81] In goods distribution it took the form of the 'Food Dictatorship'. In early May the All-Russian Central Executive Committee (henceforth VTsIK), nominally the highest soviet legislative body, granted

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Bailes, *Technology and Society under Lenin and Stalin: Origins of the Soviet Technical Intelligentsia, 1917-1941* (Princeton, 1978), p.50. In the first years of Soviet power, this issue became controversial. The heads of the People's Commissariat for Justice tended to agree with Lenin's view, while officials in the Cheka often saw all representatives of the bourgeoisie as irreversibly corrupt (J. Ryan, 'They Know not what They Do? Bolshevik Understandings of Agency, 1918-1930*', Historical Research Journal,* 90 (247), 2017). However, in practice, many former class enemies were able to forge a new identity and escape persecution (S. Fitzpatrick, 'New Perspectives on the Civil War', in D.P. Koenker, W.G. Rosenberg, and R.G. Suny (eds.), *Party, State, and Society in the Russian Civil War*: *Explorations in Social History* (Bloomington, 1989) and 'The Problem of Class Identity in NEP Society', in S. Fitzpatrick, A. Rabinowitch and R. Stites (eds), *Russia in the Era of NEP: Explorations of Soviet Society and Culture* (Bloomington, 1991)*,* pp.12-28.

[80] Lenin, 'Immediate Tasks', p.263. This shift in language is also noted in Read, *Lenin*, pp.213-215.

[81] In industry, the central economic organ*,* Vesenkha, was given increasing powers over enterprises, culminating in the decree of 28th June 1918, granting it the right to nationalise all large-scale industry. See Carr, *The Bolshevik Revolution,* vol.2, pp.84-100.

Narkomprod enormous control over all food-supply matters nationwide.[82] This organ now had the right to take action on any supply matter, even where this exceeded its usual competency, and to cancel any directives given by local authorities which interfered with its own policy. All other institutions and organisations were instructed to immediately implement its directives. Any officials not complying were to be fired and arrested. Furthermore grain supply was confirmed a state monopoly and subject to fixed prices.

The question remained as to how Narkomprod was to carry out any of this, it consisting mainly of just its Moscow headquarters, cut off from the rest of Russia. A week later a new decree called for the formal incorporation of all local supply organs into the Narkomprod apparatus, in theory firmly subordinating them to Moscow.[83] Yet this meant little in reality, as many supply committees continued to reject the authority of the Bolshevik centre.[84] Sovnarkom's solution was for the more loyal region-level committees to recruit the most motivated groups of the population to do their bidding, bypassing all existing forms of ground-level supply and distribution. The landless farm labourers were to form committees of the poor (*komiteti bednoti*, henceforth kombedy) while urban proletarians from consuming regions would create worker detachments.[85] The kombedy were to interrogate local *kulaki* to find out if they were hoarding surplus grain. Such grain was to be seized and redistributed among the village poor, the remainder being handed to the worker detachments who would provide the link between the villages and the city. The detachments would submit the grain to their local Narkomprod organ for redistribution on the national level. Through these measures Sovnarkom intended to create a new chain of command stretching directly from Moscow to every village and hamlet. They represented a new way to supply food for both city and countryside in an

[82] 'O Predostavlenii', pp.156-157.
[83] 'O Reorganizatsii Narodnogo Komissariata Prodol'stviia i Mestnykh Prodovol'stvennykh Organov' (On the Reorganisation of the People's Commissariat for Supplies and Local Supply Organs), 14th May 1918, *Sistematicheskii Sbornik,* pp.157-159.
[84] Retish, *Russia's Peasants,* p.165; Figes, *Peasant Russia,* pp.84-101.
[85] On the organisation of worker detachments and *kombedy* see the decree 'On the Reorganisation', pp.157-159. Also see Malle, *Economic Organization,* pp.365-367; Lih, *Bread and Authority,* p.157; Carr, *The Bolshevik Revolution,* vol.2, p.51.

organised and rational manner, and to remove the source of supply for the bagmen.

Meanwhile, in other Moscow offices measures were being taken to liquidate the bagmen and speculators themselves. The Cheka, for whom fighting speculation was a raison d'être, rapidly expanded its operations from mid-1918.[86] By decree, the Cheka were merely supposed to investigate and arrest speculators, handing them over for trial under the new system of Revolutionary Tribunals.[87] However, they increasingly meted out their own summary executions, with unofficial sanction from Sovnarkom.[88]As Matthew Rendle has argued, some party leaders considered these drastic methods more effective than the typically soft punishments handed out by the tribunals' independent juries.[89]

Left Opposition and the Question of Local Autonomy

Before the revolution, the idea of autonomous proletarian action had coincided happily with the visions of the leaders. Now forced to choose between maintaining this autonomy and pursuing their dreams, party chiefs decisively opted for the latter.[90] Yet this was by no means a unanimous decision. A group known as the Left Communists maintained their faith in the consciousness of the people. This group, led by Bukharin, had celebrated the tendencies of the last few months as the disintegration of the old 'bourgeois' state, and argued that the masses would now proceed to build socialism from the ground up.[91] The Left Communists advocated the full political independence of local soviets, and extensive worker control over enterprises. They proposed that the

[86] On speculation as a raison d'être for the Cheka, see Leggett, *The Cheka,* pp.18-19: four days after coming into existence, its name was altered to include speculation among the forces it was combating (the other ones being counter-revolution and sabotage). On the rapid development of the Cheka infrastructure see Leggett, p.40, and ch.5.
[87] On early Soviet justice systems see discussion pp.176-178 of this thesis.
[88] On the 'unofficial sanction' see Leggett, *The Cheka,* pp.57-58; M. Rendle, 'Revolutionary Tribunals and the Origins of Terror in Early Soviet Russia', *Historical Research Journal,* 84 (226), 2011, p.712.
[89] Rendle, 'Revolutionary Tribunals'.
[90] For an analysis of Lenin's perspective on this see Read, *Lenin*, p.212.
[91] Lih, *Bread and Authority,* p.151; S.F. Cohen, *Bukharin and the Bolshevik Revolution: A Political Biography* (New York, 1971), pp.74-75; Malle, *Economic Organization,* pp.58-59; Daniels, *The Conscience,* pp.81-82. On the Left Communists see also pp.130-132 of this thesis.

factory committees should come together to form economic soviets which would co-ordinate local industry.[92] They rejected their opponents' claims that the economic breakdown was being caused by localism, pointing instead to structural issues such as the dislocation of transport.[93] The Left Communists feared that the resurrection of the centralised state would revert Russia back to an earlier level of development, namely state capitalism, and thereby kill the revolution.[94] However the movement did not win wide support and, subjected to a vicious attack by Lenin, it soon dissolved.[95]

On the whole, the party leadership adapted smoothly to the new rhetoric and policy direction. While centralised and coercive government by the party centre over the proletariat had not been part of Lenin's vision, it sat very comfortably with certain aspects of his thought, or what Robert Service has called his "operational assumptions".[96] One of these regarded the party's self-image as the vanguard of the proletariat. In the eyes of its leadership the party was the only source of true revolutionary consciousness. This assumption carried with it the underlying implication that any difference in outlook between the party and the workers inevitably meant the latter lacked consciousness and with it, the eligibility to form the ruling class.[97] The other was a sense of admiration for strong and rational state power. Both Lenin and Bukharin had been smitten with the German wartime economy, a highly centralised and militarised bureaucracy, and its potential for shaping

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[92] Cohen, *Bukharin,* p.75; Smith, *Russia in Revolution,* p.221.
[93] Cohen, *Bukharin,* p.74.
[94] Thus they believed Russia was much closer to socialism than Lenin did. Carr, *The Bolshevik Revolution,* vol.2, pp.88-89; Cohen, *Bukharin,* pp.71, 74-75. The Left Communists presented their arguments in their short-lived journal *Kommunist.* See 'Theses on the Present Moment', in *Kommunist*, no.1, 1918.
[95] Lenin, 'The Immediate Tasks' and '"Left-Wing" Childishness'.
[96] R. Service, *Lenin: A Biography* (Cambridge, Massachusetts, 2000), pp.377, 489. Also see Holquist, *Making War,* pp.282-288; Walicki, *Marxism*; L.H. Siegelbaum, *Soviet State and Society between Revolutions* (Cambridge, 1992), pp.6-8; N. Harding, *Lenin's Political Thought* (London, 1981), pp.91-92; Harding, 'Socialism, Society and the Organic Labour State' in N. Harding (ed.), *The State in Socialist Society* (London, 1984), p.15.
[97] Lenin, 'What is to be Done? Burning Questions of Our Movement', 1901-1902, *Collected Works,* vol.5 (Moscow, 1960), pp.347-530. Variants of this argument can be found in the following: Siegelbaum, *Soviet State and Society*, pp.10-11; Walicki, *Marxism*, pp.342-343; Harding, *Lenin's Political Thought*, pp.91-92; Harding, 'Socialism', p.15; Raleigh, *Experiencing Russia's Civil War,* pp.52, 73; Read, *From Tsar to Soviets*, p.212, 222-223. Also see the Introduction to this thesis, section 'Lenin and Consciousness'.

society.[98] Although Lenin's vision of the revolutionary state was centred on the popular grass-roots movement and the local soviets, he believed such a state would still transform society as well as the German model could, provided those at the helm possessed consciousness:

> If, for instance, Germany can direct the economic life of 66 million people *from a single centre,* and strain the energies of the people to wage a predatory war in the interests of 100 or 200 financial magnates or aristocrats, the monarchy, etc., then the same can be done, in the interests of nine-tenths of the population, by the non-propertied masses, if their struggle is directed by the conscious workers...[99]

If the proletariat were not yet conscious enough to take the reins of a strong state power, the party leadership would have to take its place.

The Temporary and Limited Nature of the New Measures

Nevertheless, Lenin intended the measures as a mere short-term strategy.[100] He interpreted the present events as the long-expected 'civil war', when the bourgeoisie would make its last stand.[101] He was optimistic that under the guidance of the party centre, the proletariat would easily fend off petty bourgeois 'infection', grow in consciousness, and, in time, go on to realise socialism on their own steam:

> Of course, a certain amount of time is required to enable the ordinary working man not only to see for himself, not only to become convinced, but also to feel that he cannot simply "take", snatch, grab things, that this leads to increased disruption, to ruin, to the return

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[98] G.L. Yaney, *The Urge to Mobilize: Agrarian Reform in Russia, 1861-1930* (Urbana, 1982), ch.10. See also Kotsonis, *States of Obligation,* pp.302-304; L.T. Lih, *Lenin* (London, 2011), pp.136-137; Scott, *Seeing Like a State*, pp.162-163; M.V. Khodiakov, *Detsentralizm v Promishlennoi Politike Regionov Rossii, 1917-1920 gg.* (Saint-Petersburg, 2001), p.10; Service, *Lenin,* p.397; Holquist, *Making War,* pp.282-288; Holquist, 'Violent Russia, Deadly Marxism? Russia in the Epoch of Violence, 1905-21', *Kritika: Explorations in Russian and Eurasian History*, 4 (3), 2003, esp. pp.639-640.
[99] quoted in Lih, *Lenin*, pp.136-137.
[100] Cohen, *Bukharin,* p.77.
[101] Lih, *Lenin*, p.147; Malle, *Economic Organization,* pp.362-363; Carr, *The Bolshevik Revolution,* vol.2, pp.48-55.

> of the Kornilovs.[102] The corresponding change in the conditions of life (and consequently in the psychology) of the ordinary working men is only just beginning. And our whole task, the task of the Communist Party... is to appreciate this change, to understand that it is necessary, to stand at the head of the exhausted people who are wearily seeking a way out and lead them along the true path...[103]

Leaders still considered there to be large sections of the population conscious enough to willingly fulfil central policies. Both worker detachments and the *kombedy* were to be organised on this principle. The former were to be enlisted on a largely volunteer basis, and the latter were to be elected by local populations.[104] Neither were part of Narkomprod or any other state apparatus, and both were left to use their initiative and sense of social consciousness to organise the more technical details of their work.[105] Where decrees were passed clarifying their activity, these were often phrased in the language of exhortation rather than in the dry legal jargon of other directives.[106] For example on the 6th August 1918 Sovnarkom introduced a new series of measures against grain hoarders entitled "Appeal to All Workers on the Struggle for Bread".[107] It ended with the following invocation:

> Without delay, then, workers and poor peasants, arise for the merciless struggle for bread![108]

The kombedy policy in particular, even shared certain similarities with Lenin's consumer commune project. Both were based on the idea of the self-organisation of supply and distribution by local communities with any

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[102] General Lavr Kornilov, an early head of the anti-Bolshevik forces in the civil war. Lenin was invoking his name to refer to the counter-revolutionary movement in general.
[103] Lenin, 'The Immediate Tasks', p.270.
[104] Carr, *The Bolshevik Revolution,* vol.2, p.53; Malle, *Economic Organization,* pp.365-367.
[105] Malle, *Economic Organization,* p.368. The non-state nature of kombedy was reiterated in the decree disbanding them in December 1918: "...the committees were built as auxiliary supply institutions. They were not organs of state power". From 'Instruktsiia o Poriadke Perevyborov Volostnykh i Sel'skikh Sovetov Deputatov' (Instructions on the Organisation of Re-Elections to *Volost* and *Sel'skii* Soviets of Deputies), 2nd December 1918, *Dekrety Sovetskoi Vlasti,* vol.4 (Moscow, 1968), p.112.
[106] Carr, *The Bolshevik Revolution,* vol.2, p.51.
[107] 'Obrashchenie ko Vsem Trudiashchimsia o Bor'be za Khleb', 6th August 1918, *Dekrety Sovetskoi Vlasti,* vol.3 (Moscow, 1964), pp.178-180.
[108] 'Obrashchenie ko Vsem Trudiashchimsia ', p.180.

surplus being shipped off to needier regions.[109] The differences were undoubtedly significant, the main one being that whereas the commune was about harmonious co-operation among all villagers, the kombedy exploited the social differences between them and relied on coercion. Nevertheless, taking into account Lenin's optimism at the time, as well as his general advocacy of communes, it seems likely he perceived the kombedy as proto-communes, which would evolve over time as all the peasants became *déclassé.*[110]

Policy on Private Shops: Protection and Preservation

The Bolshevik leadership clearly distinguished between peddlers trading from bags, trays, and stalls, and larger trading firms that employed more than one hired clerk.[111] There is a tendency among some historians to lump the two together and define policy in this period as 'anti-trade', a 'war on the market', and the culmination of a longstanding desire among the revolutionary elite to replace private commerce with the state.[112] However it was only petty trade that the leadership sought to liquidate, as it was difficult to regulate. Their primary policy with the larger enterprises was, as with the other supply measures, one of short-term centralisation in response to the unfolding events. Sovnarkom sought to assert control over shops in order to ward off the arbitrary requisitions and forced contributions levied by local authorities. Its policies were also

[109] 'Dekret Ob Organizatsii i Snabzhenii Derevenskoi Bednoti' (Decree on the Organisation and Supplying the Village Poor), 11th June 1918, *Dekrety Sovetskoi Vlasti,* vol.2 (Moscow, 1959), pp.417-418.
[110] Especially as he was simultaneously actively encouraging the voluntary formation of agricultural communes. See Carr, *The Bolshevik Revolution,* vol.2, pp.153-156; R. Stites, *Revolutionary Dreams: Utopian Vision and Experimental Life in the Russian Revolution* (Oxford, 1989), p.54, ch.10.
[111] This is reflected in the following decrees from the time: 'Zakon o Torgovykh Knigakh' (Law on Trade Books); 'Polozhenie o Registratsii Torgovykh i Promyshlennykh Predpriiatii' (Law on the Registration of Trade and Industrial Enterprises), and 'Pravila o Perekhode po Chastnym Sdelkam Torgovykh i Promyshlennykh Predpriiatii i o Preobrazovanii Predpriiatii (Rules on the Transfer through Private Transactions of Trade and Industrial Enterprises and on the Reorganisation of Enterprises), all passed on 3rd August 1918, all taken from *Dekrety Sovetskoi Vlasti,* vol.3, pp.148-162. See also p.66 of this thesis.
[112] For example, Davydov, *Meshochniki,* pp.59, 71-72; Narskii, *Zhizn' v Katastrofe,* p.117; Carr, *The Bolshevik Revolution,* vol.2, p.229; Hessler, *A Social History,* pp.51-52.

shaped by the need to clearly establish which of the competing and overlapping central state organs should exert this control.[113]

In this manner the beginning of August saw a flurry of legislation which aimed to place all private trade firmly under the regulatory purview of the People's Commissariat for Trade and Industry (*Narodnyi Komissariat Torgovli i Promyshlennosti,* henceforth NarkomTiP).[114] This organ was to establish branches in all regions to, as one decree put it:"coordinate local work on organising and regulating the trade-industrial work of the region in accordance with national and local interests".[115] All businesses were now required to register with their local NarkomTiP. This involved presenting extensive information, including proof of company ownership, addresses of all staff, financial records, details of stock, property, and contracts.[116] The shops were instructed to keep highly detailed and standardised records, including daily journals, annual inventories, and copies of all correspondence, for frequent inspection.[117] Finally enterprises were forbidden to change hands or be reorganised without the NarkomTiP's written permission.[118] These measures seem clearly inspired by Lenin's dream of organising "accounting and control on a national scale", which was, after all, one of the immediate goals of the revolution in his view.[119] More practically they seem designed to keep private enterprises in operation, both through limiting local authorities from arbitrarily seizing them, and preventing traders from shutting up shop themselves.

This was followed in late November by what is often referred to as the 'anti-trade' decree or the 'ban on private trade', although it officially went by the much more innocuous title 'Decree on the Organisation of

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[113] According to Borrero (*Hungry Moscow,* pp.36-39), Vesenkha, Cheka and Narkomprod were all rivals for controlling food-supply matters.
[114] See the decrees outlined on p.95, footnote 111 of this thesis, plus 'Polozhenie o Mestnykh Otdelakh Narodnogo Komissariata Torgovli i Promyshlennosti' (Law on Local Branches of the People's Commissariat for Trade and Industry), 3rd August 1918, *Dekrety Sovetskoi Vlasti,* vol.3, pp.145-147.
[115] 'Polozhenie o Mestnykh Otdelakh', p.145.
[116] 'Polozhenie o Registratsii', p.155.
[117] 'Zakon o Torgovykh Knigakh', pp.148-149.
[118] 'Pravila o Perekhode', pp.158-159.
[119] Lenin, 'The Immediate Tasks', p.256.

Supply'.[120] The nicknames come from the fact that its introduction refers to a long-term commitment to ending private trade. However this is not the goal of the directive itself.[121] The first half is primarily concerned with pointing out that it was only Narkomprod, as opposed to any other organ, that had the right to intervene in procuring and allocating consumer goods, and exert authority over private trading structures.[122] The second half expresses a goal and a target for the municipalisation of trading enterprises.[123] However, the emphasis was less on ending private trade in principle than on forcing local authorities to actually take responsibility and run the shops they nationalised, rather than just seizing their stock and abandoning them.[124]

In fact Moscow did not issue a blanket prohibition on private trade at all.[125] It asserted a state monopoly over trade in an increasing array of consumer goods, and demanded that many of these had to be bought and sold at fixed prices. However it did not exclude private shops from trading even in these goods, provided they had dispensation from Narkomprod.[126] Policy reflected Lenin's continuing lack of concern with 'private' and 'state' sectors.[127] The overriding concern was whether or not

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[120] See, for example Carr, *The Bolshevik Revolution,* vol.2, p.229; Hessler, *A Social History,* pp.25-26; Ball, *Russia's Last Capitalists,* p.5; Banerji, *Merchants and Markets,* p.23. The following have also referred to a general 'ban' on private trade during the civil war: L. Szamuely, *First Models of the Socialist Economic Systems: Principals and Theories* (Budapest, 1974), pp.11, 16; Borrero, *Hungry Moscow*, p.186; Raleigh, *Experiencing Russia's Civil War,* p.133, Williams, *Lenin,* p.116.

[121] 'Dekret ob Organizatsii Snabzheniia', 21st November 1918, *Dekrety Sovetskoi Vlasti,* vol.4, pp.41-46.

[122] 'Dekret ob Organizatsii Snabzheniia', pp.41-42. Thus Sovnarkom appears to have quickly scrapped the idea of the NarkomTiP as the main controlling body, presumably because Narkomprod already had many responsibilities in trade and distribution, and unlike the NarkomTiP it had at least a semi-functional apparatus.

[123] 'Dekret ob Organizatsii Snabzheniia', pp.45-46.

[124] This emphasis is also present in an article in *Krasnaia Gazeta,* 7th December 1918, by the head of the Petrograd Narkomprod, stressing the gradual nature of nationalisation and the enlistment of shopkeepers into state service. Cited in Hessler, *A Social History,* p.26.

[125] Hessler, *A Social History,* pp.26-27; Malle, *Economic Organization,* pp.348-349; D.R. Brower, '"The City in Danger": The Civil War and the Russian Urban Population', in D.P. Koenker, W.G. Rosenberg, and R.G. Suny (eds.), *Party, State, and Society in the Russian Civil War*: *Explorations in Social History* (Bloomington, 1989), p.66.

[126] See for example the Food Dictatorship decree 'O Reorganizatsii Narodnogo Komissariata Prodol'stviia'. Having established the need for Narkomprod to take on all state work in supplying primary consumer goods, it continues: "Private trade in these urgent goods is permitted under control, and in accordance with local regulations as confirmed by Narkomprod" (p.158).

[127] See pp.19, 70 of this thesis.

it was possible to regulate and utilise enterprises in order to stabilise the economy and end the crisis.

"Socialist society is one single co-operative"[128]

The centre took an essentially similar, though even more protective, approach to the co-operatives. Though Lenin's initial hopes for them had proved somewhat over-ambitious, he remained very keen to use their infrastructure both to resolve the food crisis, and to build the infrastructure of a socialist economy:

> The socialist state can arise only as a network of producers' and consumers' communes, which conscientiously keep account of their production and consumption, economise on labour, and steadily raise the productivity of labour… Capitalism left us a legacy of mass organisations which can facilitate our transition to the mass accounting and control of the distribution of goods, namely, the consumers' co-operative societies.[129]

For Lenin, there was no other way to bring about socialism:

> ...socialist economic organisation is impossible without a network of co-operative organisations.[130]

The story of the co-operatives in the civil war years is usually depicted as the soviet government struggling against the defiant 'bourgeois' co-operative chiefs to reduce the movement to a technical apparatus of the state.[131] A closer look at Bolshevik legislation and commentary from this

[128] Lenin, 'Speech Delivered to a Meeting of Delegates from the Moscow Central Workers' Co-operative', 26th November 1918, *Collected Works,* vol.28 (Moscow, 1965), p.200.
[129] Lenin, 'The Immediate Tasks', p.255.
[130] Lenin, 'Speech Delivered', p.199.
[131] This view originates from the end of the civil war itself, when some commentators framed recent history in such a light, for example leaders of Soviet economic organs during the Ninth Party Congress (see pp.104-105 of this thesis): *Deviatyi S"ezd RKP(b). Mart - Aprel' 1920 g.* (Moscow, 1934), pp.279-283. This interpretation has been picked up by several Soviet historians including V.V. Kabanov, *Oktiabr'skaia Revoliutsiia i Kooperatsiia (1917 g. - Mart 1919 g.)* (Moscow, 1973); L.E. Fain, *Otechestvennaia Kooperatsiia: Istoricheskii Opyt* (Ivanovo, 1994); L.F. Morozov, *Ot Kooperatsii Burzhuaznoi k Kooperatsii Sotsialisticheskoi* (Moscow, 1969). In western historiography it has been expressed in D.T. Orlovsky, 'State Building in the Civil War Era: The Role of the

period suggests that the emphasis was rather on establishing the protectorship of a central organ to safeguard the co-operatives and their personnel from arbitrary intervention from local authorities, and to mobilise them in a rational and systematised manner.

In spring 1918 the heads of Sovnarkom and Narkomprod negotiated a nationwide policy directly with the leaders of the two national co-operative unions, Tsentrosoiuz and the Workers' Co-operative. Due to the Bolsheviks' inability to exert the desired pressure on the co-operatives, the result fell far short of Lenin's ambitions: instead of transforming into one universal and all-encompassing structure, the two unions kept much of their independence and continued to serve only paying members.[132] This necessitated the continued participation of both the state and the private sector, to ensure the rest of the population were supplied with food. The Bolshevik leaders viewed the agreement as an unfortunate yet necessary concession. On passing the resolution, the VTsIK called it "a compromise solution suffering from serious shortcomings", yet resolved to pass it as a purely "transitional measure".[133] Lenin directly blamed the proletariat and local soviets for not taking the initiative in the first months:

> Had the proletariat, acting through the Soviet government, managed to organise accounting and control on a national scale, or at least laid the foundation for such control, it would not have been necessary to make such compromises. Through the food departments of the Soviets, through the supply organisations under the Soviets we should have organised the population into a single co-operative society under proletarian management.[134]

However, he was optimistic that this was just a minor setback to his existing plans, rather than a radical change of direction:

Lower-Middle Strata', in Koenker, Rosenberg, and Suny (eds.), *Party, State, and Society,* p.194; Borrero, *Hungry Moscow,* pp.47-50; Hessler, *A Social History,* pp.55-57.

[132] 'Decree on Consumer Cooperatives', 10th April 1918, in Iu. Akhapkin (ed.), *First Decrees of Soviet Power* (Woking and London, 1970), pp.117-118. Lenin, 'The Immediate Tasks', pp.255-256.

[133] 'Resoliutsiia VTsIK po povodu Proekta Dekreta o Potrebitel'skikh Kooperativnykh Organizatsiiakh' (Resolution of VTsIK on the Project Decree on Consumer Co-operative Organisations), 11th April 1918, *Dekrety Sovetskoi Vlasti,* vol.2, pp.76-77.

[134] Lenin, 'The Immediate Tasks', p.256.

> …by directing the bourgeois elements, utilising them, making certain partial concessions to them, we create the conditions for further progress that will be slower than we at first anticipated, but surer, with the base and lines of communication better secured and with the positions which have been won better consolidated. The Soviets can (*and should*) now gauge their successes in the field of socialist construction, among other things, by extremely clear, simple and practical standards, namely, in how many communities (communes or villages, or blocks of houses, etc.) co-operative societies have been organised, and to what extent their development has reached the point of embracing the whole population.[135]

He continued to believe that the merging of the co-operatives into a nationwide network of consumer communes or societies was just around the corner. In the same thesis where he elaborated on the compromise, he set out a detailed plan of how, in the future, competition could be organised between the different communes to stimulate production.[136] According to this proposal, the press would feature inspiring articles about the best ones as an example to all the rest. The worst communes, those that persevered in laziness, anarchy and profiteering, would be shamed by appearing on a black list. Statistics on productivity would be regularly published and the public would follow the performance of the different communes as a pastime. The most outstanding would receive rewards, including a shorter working day, greater remuneration and enhanced "access to cultural and aesthetic facilities".

However, in the months that followed, no progress was made in this direction. Rather, chaos increasingly reigned due to the multitude of overlapping state (central and local), co-operative and private agencies which competed with each other for control over food. Co-operatives often faced attack and invasion from local authorities.[137] The so-called 'anti-trade' decree from 21st November had to stress that co-operatives

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[135] Lenin, 'The Immediate Tasks', p.256. Also see 'Basic Propositions on Economic and Especially on Banking Policy' (April 1918), where he still speaks of coming to an agreement with the co-operative leaders about transitioning their apparatus into an organisation of the entire populace. *Collected Works,* vol.27, p.319.
[136] Lenin, 'The Immediate Tasks', p.261.
[137] Raleigh, *Experiencing Russia's Civil War,* p.301; Hessler, *A Social History,* p.59.

were not subject to municipalisation and demanded that wherever soviets had seized any co-operative property, whether whole buildings or just stock, it was all to be immediately returned or recompensed.[138] The decree also found it necessary to reiterate that co-operatives were free to manage their own warehouses and shops independently, that their work should in no way be hindered, and that Narkomprod was the only body that had any authority over them.

This apparently had little immediate effect, as a month later Lenin found it necessary to send the following reprimand to multiple districts:

> According to the latest news, despite the decree of the 21st November, on the ground co-operatives are being nationalised, closed, their goods requisitioned, they are not being offered any assistance in restoring them to their legitimate activities. This is harming the sphere of supply and disjointing the organisation of the Soviet Republic's rear. This communication hereby demands the immediate end of attempts to defy or evade the decree of the 21st November, the restoration of the closed and nationalised cooperatives, the return of their stock, and the integration of the co-operatives into the distributive networks on a par with soviet shops. The co-operative apparatus must be fully utilised in the spheres of procurement, [and] distribution.... The defiance and aversion of the decree will be punished....[139]

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[138] 'Dekret ob Organizatsii Snabzheniia', p.45. Several days later Lenin said the following: "... there have been a lot of mistakes in this sphere up to now. Some co-operatives have been closed or nationalised even though the Soviets could not cope with distribution and the organisation of Soviet shops. By the decree everything taken from the co-operatives must be returned to them. The co-operatives must be denationalised and re-established" ('Speech Delivered', p.199). Orlovsky has also noted these attacks, citing decrees of both Sovnarkom and Narkomprod from March 1918, ordering local soviets to halt interference in co-operative affairs ('State Building', p.193).

[139] 'Predpisanie Soveta Oborony Sovetu Kommun Severnoi Oblasti Vosstanovit' Zakrytye i Natsionalizirovannye Kooperativy i Ispol'zovat' Kooperativy v Dele Zagotovki i Raspredeleniia Tovarov' (Order from the Soviet of Defence to the Soviet of Communes of the Northern Region to Restore Closed and Nationalised Co-operatives and Use Co-operatives in the Procurement and Distribution of Goods), 25th December 1918, *Dekrety Sovetskoi Vlasti,* vol.4, pp.257-258.

Things came to a head the following March, in a new decree 'On Consumer Communes'.[140] Emboldened by the growing purview of Narkomprod, the Kremlin now decided to try to forge the universal network of communes with its own hands, using central coercion to reorganise the co-operatives and push other agencies out of food supply. Historians have often referred to this measure as the 'statisation' of the co-operatives.[141]Admittedly, the proposed reorganisation itself did entail an unprecedented level of state intervention into the internal affairs of the co-operative unions, and it was no longer considered necessary to mediate with the leaders of the latter beforehand. However the decree did not mention making the co-operatives part of any state apparatus, only that the board of each commune would have one Narkomprod representative. The other members would be elected by the local population making up the commune.[142]

Rather than representing a principled desire to make the co-operatives part of the state, the measure was framed as a preservation and expansion of their admirable apparatus:

> The unification of the existing distribution organs must be organised in such a way, so that the main apparatus of correct mass distribution, namely co-operation, the only apparatus to have been tried and tested over its long history under capitalism and practical experience, was not destroyed and not abandoned, but was placed as the foundation of the new [system], preserved, developed and perfected.[143]

In placing the emphasis on the co-operatives' experience, Sovnarkom showed that it was primarily interested in utilising the knowledge and wisdom of their specialists, rather than just taking co-operative property into state hands. Several months earlier, Lenin had said the following:

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[140] 'O Potrebitel'skikh Kommunakh' (On Consumer Communes), 20th March 1919, *Sistematicheskii Sbornik,* pp.172-174.
[141] For example, Carr, *The Bolshevik Revolution,* vol.2, p.237; Hessler, *A Social History,* p.56; Lih, *Bread and Authority,* pp.172-173; Borrero, *Hungry Moscow,* p.46; Narskii, *Zhizn' v Katastrofe,* p.120.
[142] 'O Potrebitel'skikh Kommunakh', p.173.
[143] 'O Potrebitel'skikh Kommunakh', p.172.

> Since we do have an apparatus with the necessary experience and which, most important of all, is based on popular initiative, we must set it to fulfilling these tasks [organising food supply and distribution]. It is particularly important to utilise the initiative of the people who created these organisations. The ordinary people must be drawn into this work, and this is the main task we must set the co-operatives....[144]

For Lenin, it had been the spirit of voluntary co-operation that had sparked his lifelong attraction to the movement. It was the dynamism and drive of the co-operators to serve their fellow humans that had inspired him as a youth.[145] What set the movement apart from both inefficient bureaucracy and self-seeking capitalism were the co-operative specialists themselves. For them to work effectively they had to be allowed to work in their own way using their own methods, which required a degree of autonomy.[146]

However, the heads of economic organs increasingly found the twin tenets of centralisation and autonomy contradictory in practice. In trying to co-ordinate nationwide programmes of food supply, they were highly frustrated by co-operative staff who pursued their own buying and selling campaigns, sometimes undermining parallel measures by state organs. At a meeting of the Moscow soviet's Executive Committee in June 1919, which sought to clarify its relationship with the Moscow Consumer Society, an irritated Kamenev, as head of soviet, barked at the co-operators: "Distribute bread well, that is all we need from you!".[147] National bodies like Narkomprod and Vesenkha increasingly sought to subordinate the co-operatives to themselves, spurred on by competition with each other as both wished to utilise this relatively well-functioning structure.[148]

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[144] Lenin, 'Speech Delivered', p.200.
[145] See p.52 of this thesis.
[146] This issue is also discussed in Borrero, *Hungry Moscow,* p.48.
[147] Borrero, *Hungry Moscow,* pp.49-50.
[148] Carr, *The Bolshevik Revolution,* vol.2, pp.123-125. Carr has argued that Lenin's position against outright nationalisation was chiefly due to the declaration of Entente nations that they would trade with Russia only through autonomous Russian co-operatives (p.239). This was undoubtedly an important factor, yet Lenin's stance is also in keeping with his long-term beliefs about the role of co-operatives in building socialism.

Things came to a head in spring 1920 when a host of economic leaders all presented theses at the Ninth Party Congress calling for stricter subordination of the co-operatives to the state. The first to speak was Nikolai Krestinskii, chief of the Finance Commissariat (henceforth Narkomfin) and judicial head for the Northern region. He demanded the outright replacement of co-operative leaders and experts with communists, due to the "harmful" outlook and "reactionary" ideology of the former.[149] He also advocated shutting down local departments of the big co-operative unions as they caused parallelism with official structures, and forbidding these unions from producing goods, for the same reason. Despite framing his programme as an "ownership" of the co-operatives, he spoke against immediate nationalisation which he believed would destroy them. He argued his measures would lead to the smooth transition of the movement into the state apparatus. This, however, was too soft an approach for many. Vladimir Miliutin, the Deputy Chair of the Vesenkha presidium, explicitly demanded "the statisation of co-operation, the sovietisation of co-operation". Calling Krestinskii's thesis a "half-measure", he advocated the party taking absolute control over the co-operatives at every level with immediate effect.[150] The third major thesis was presented by Alexei Sviderskii, a member of Narkomprod's collegium.[151] Sviderskii fully endorsed the spirit of Miliutin's position, adding that the co-operatives should be reduced to a mere technical apparatus for Narkomprod's razverstka programme.[152] The Presidium of the Congress provisionally agreed to Miliutin's thesis.[153] However, two days later, a concerned Lenin, who had been absent during these discussions, stepped in to the fray.[154] Of the three theses, he came out strongly in support of Krestinskii's milder approach, watering it down still further by downplaying the rhetoric of state ownership and the firing of 'bourgeois' staff. He rejected immediate nationalisation, arguing that

[149] *Deviatyi S"ezd*, pp.279-288.
[150] *Deviatyi S"ezd*, pp.300-304.
[151] *Deviatyi S"ezd*, pp.304-310.
[152] On the razverstka see pp.110-112 of this thesis.
[153] *Deviatyi S"ezd*, p.319.
[154] Lenin, 'Speech on the Co-operatives', 3rd April 1920, *Collected Works,* vol.30 (Moscow, 1965), pp.480-484.

the state lacked the ability to run the co-operatives. He condemned any repressive action against their personnel based on their class background, sardonically observing that the Cheka were managing quite well in that sphere themselves, and advocated punishment only where co-operatives failed to carry out their assignments. Conversely, where they managed to increase production, even by a tiny bit, their staff should actually be rewarded. Lenin's influence led the congress to pass a final resolution even more lenient than Krestinskii's. It advocated the slow build up of communist influence in the co-operatives over time, with a view to transforming them into structures run by the masses themselves, and, further down the line, serving as the foundation of a communist system of supply.[155]

Thus Soviet policy on the co-operatives was built on the same aims as the other policies discussed above. They were all intended as a temporary intervention by the centre to contain 'petty-bourgeois' influences on the ground and protect and utilise the existing commercial infrastructure, while the proletariat were still finding their feet as the new ruling class. However, subsequent events would show Moscow that these tasks were easier said than done, and push it to a much more substantial detour on the road to socialism.

Part Three: Fighting a Losing Battle and a Switch to New Tactics

Uncontrollable Controllers.

The following few months exposed serious shortcomings in the Kremlin's plans. The structures it had created and sought to utilise in the regions tended to display the same localist or 'petty-bourgeois' orientations as the bodies they had been set up to control. Narkomprod*'s* regional organs, the Gubprodkomy, were still largely based on the Provisional Government's supply apparatus and continued to employ a lot of the old staff, who remained defiant to Moscow's directives. The Saratov and Viatka gubprodkomy both declined to implement Bolshevik state

[155]*Deviatyi S"ezd*, pp.444-446.

monopolies and fixed prices.[156] As for the worker detachments, the all-important connection between Gubprodkom and the village, these did not attract the calibre of proletariat that the Kremlin had intended. They were supposed to be the most conscious elements of the working class, who would win the confidence of the poor peasants, and consequently, gain their trust and their bread. Rural authorities described them as motley bands of heavy-drinking criminals who set about looting whatever they could find, even families' last *pudy* of grain, and selling it on the black market rather than submitting it to the state.[157] The peasants resisted, sometimes with violence.[158] Meanwhile, the peasants themselves were supposed to form kombedy.[159] However, many openly refused to do so, especially in richer communities and in regions with surpluses, where kombedy were needed the most. By this time villagers were already very much on the defensive against any attempt to intrude on their way of life. Furthermore they often had much stronger loyalty to their neighbours, to whom they were attached through webs of familial relationships, than to suspicious-seeming strangers claiming to be class comrades. Where kombedy were set up, it tended to be the initiative of the most marginalised villagers such as in-migrants. They often acted on a highly arbitrary and self-seeking basis, with requisitions not limited to surplus grain but various property including timber and buildings. They rarely submitted the grain to the worker detachments, keeping it to eat or to brew *samogon*, or selling it to bagmen and speculators.

Meanwhile local soviets continued to defy central admonitions and interfered extensively in the affairs of both private shops and co-operatives, nationalising them without due caution and planning, seizing stock and property and harassing personnel.[160] These unfortunate

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[156] Raleigh, *Experiencing Russia's Civil War,* pp.293-295; Retish, *Russia's Peasants,* pp.173-174; Lih, *Bread and Authority,* p.169. Also see Banerji, *Merchants and Markets,* p.34. According to Fraunholtz, the Penza Gubprodkom in turn found its district officials unruly: 'The Collapse and Rebuilding', pp.72-73.
[157] Raleigh, *Experiencing Russia's Civil War,* pp.303, 306; Lih, *Bread and Authority,* pp.169, 178.
[158] Retish, *Russia's Peasants,* pp.170-173.
[159] The following summary of kombedy activity is taken from Lih, *Bread and Authority,* pp.169, 176-177; Raleigh, *Experiencing Russia's Civil War*, pp.318-319; Malle, *Economic Organization,* p.368; Retish, *Russia's Peasants,* pp.174-175.
[160] Raleigh, *Experiencing Russia's Civil War,* p.301; Hessler, *A Social History,* p.59; Malle, *Economic Organization,* pp.64-66.

individuals now encountered additional persecution from district Cheka organisations, who often arrested them solely on the basis of their occupation.[161] Most of the remaining shopkeepers now proceeded to liquidate their enterprises and joined the rising tide of ambulatory peddlers.[162] As one contemporary noted: "Trade has scattered, and from the big warehouses and stores, trade has moved out onto the street".[163]

The Futile Struggle with Bagging and the Black Market

When merchants swapped their shops for a sack, their former patrons were forced to take up bagging too, in order to meet their consumption needs. According to a survey conducted in 1919, 55% of Moscow's industrial households had one or more member who had journeyed to the countryside for food.[164] The real figure was no doubt even higher, bearing in mind that not all individuals would have wanted to confess to state investigators about this legally ambivalent activity. To step up the fight against bagmen, Narkomprod established blockade detachments at strategic points along transport routes to confiscate forbidden goods.[165] However, the recruits did not prove much better disciplined than in the worker detachments. The blockade detachments often solicited bribes from the bagmen to turn a blind eye. In other cases they confiscated all passengers' goods indiscriminately, regardless of paperwork.[166] Such behaviour rendered the grain monopoly redundant, especially as the only thing usually separating a 'state' procurement agent from a 'deviant' bagman was that the former held an authorisation slip signed by their local soviet or food-supply board.[167] The detachments often consumed their takings or sold them on the black market rather than submitting them to Narkomprod.

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[161] Leggett, *The Cheka,* ch.6, p.137.
[162] Hessler, *A Social History,* pp.27-29.
[163] S. Vasil'ev, *Natsionalizatsiia Vnutrennei Torgovli* (Moscow, 1918), p.5. Quoted in Hessler, *A Social History,* pp.28-29.
[164] Borrero, *Hungry Moscow,* p.96.
[165] See Leggett, *The Cheka,* p.64: The detachments were brought to life by a Sovnarkom decree on the 4th August 1918.
[166] Lih, *Bread and Authority,* p.192; Davydov, *Meshochniki,* p.211; Borrero, *Hungry Moscow,* pp.103-104; Narskii, *Zhizn' v Katastrofe,* p.481.
[167] On this see Lih, *Bread and Authority* pp.221-222; Banerji, *Merchants and Markets,* pp.22, 30-31; Hessler, *A Social History,* pp.82-83; Borrero, *Hungry Moscow,* p.108.

Even where they were well-intentioned, the detachments were just too thin on the ground and poorly co-ordinated to present a real force. Central authorities grossly underestimated the scale of the problem.[168] Contemporary commentators referred to some areas as "strongholds" or "kingdoms" of bagmen, where there were so many of them they simply overpowered local authorities and forced them to bend to their demands, for example, adding extra carriages to passenger trains.[169] Even where whole detachments were present to supervise the boarding of trains, they often lacked the manpower to prevent bagmen ejected from one carriage from simply getting on another.[170] The shrewder and more resourceful passengers quickly learned how to evade the confiscation of their baggage. Bribes and connections could help a lot, not only with the detachment officers directly, but also for prior procurement of the authorisation slips from local soviets.[171] Some were met by colluding station officials on arrival at their destination and chaperoned swiftly to the nearest service exit.[172] Many bagmen hid their goods through various ingenious schemes. These included trunks with false bottoms, bags with secret pockets, sacks of flour dressed in baby clothes, and even coffins.[173] S. Broide, a Moscow food-supply official, found himself surrounded by bagmen on a train journey from Kharkov to the capital, which he later described in detail.[174] Knowing a detachment would probably meet the train when it terminated in central Moscow, most passengers ordered their affairs long before this. When the doors opened at suburban stations, they sold all their food in lightening-speed deals with crowds of hungry Muscovites waiting on the platforms. Others simply got off here and carried their bags the rest of the way home. Ironically it was the starving first-time bagmen with insignificant amounts of food who were most likely to become victims of the detachments. The more experienced travellers with the contacts and the

[168] Davydov, *Meshochniki,* p.213.
[169] Borrero, *Hungry Moscow,* pp.99, 102; Banerji, *Merchants and Markets,* p.27.
[170] Borrero, *Hungry Moscow,* pp.100-101.
[171] Narskii, *Zhizn' v Katastrofe,* p.481.
[172] Borrero, *Hungry Moscow,* p.102.
[173] Borrero, *Hungry Moscow,* pp.102-103; Narskii, *Zhizn' v Katastrofe,* p.481.
[174] S. Broide, "V Puti c Meshochnikami", *Prodovol'stvennoe Delo*, No.9, 7th April 1918. His encounters are summarised by Borrero, *Hungry Moscow,* p.102.

know-how to cheat the system were often those who were speculating for profit.[175]

Widely hated, the blockade detachments also faced violence in the course of their duties. Bagmen frequently travelled in armed bands, sometimes including demobilised soldiers, and were easily able to fend off the small and poorly trained detachments.[176] In other cases, outside parties stepped in to defend the bagmen. There are several examples of local Red Army troops reacting to confiscations with outrage and beating the detachment workers up.[177] Some of these interventions were part of a war over which groups would run the bagman 'racket', i.e. who would give them protection in return for a share of the spoils.[178] Yet they were also symbolic of a growing popular sympathy for the bagman, as an ever-increasing proportion of the population came into contact with their world and realised the majority of them were not profiteers but starving human beings failed by state measures.[179]

The food brought into the cities by bagmen that wasn't for personal consumption ended up being traded on the black market.[180] For contemporary commentators, Moscow's Sukharevka market was the symbolic heart of all black market activities across the republic.[181] It was an enormous, well-organised, bustling bazaar that grew rapidly during this period.[182] Entire new rows of stalls sprang up each month, and the trading quickly spilled out from the Sukharevka square into its neighbouring streets. According to one study, over 3,000 traders set up shop there every day, almost certainly an underestimate bearing in mind the cautious and ambulatory attitude of the traders.[183] The Moscow division of Narkomprod, meanwhile, had only 130 militia officers to

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[175] Borrero, *Hungry Moscow,* p.102; Narskii, *Zhizn' v Katastrofe,* p.482.
[176] Narskii, *Zhizn' v Katastrofe,* p.481; Raleigh, *Experiencing Russia's Civil War,* p.307.
[177] Raleigh, *Experiencing Russia's Civil War,* p.304; Borrero, *Hungry Moscow,* pp.100-101.
[178] Borrero, *Hungry Moscow,* pp.100-101; Davydov, *Meshochniki,* pp.211-212.
[179] Hessler, *A Social History,* pp.41-42; Davydov, *Meshochniki,* p.203; Borrero, *Hungry Moscow,* pp.100-101.
[180] As several scholars have commented, the black market was also largely stocked with goods stolen from state warehouses, often with the connivance of the officials responsible for them. See Borrero, *Hungry Moscow,* pp.173-179; Banerji, *Merchants and Markets,* p.29; Lih, *Bread and Authority,* p.221.
[181] Narskii, *Zhizn' v Katastrofe,* pp.477, 480.
[182] Borrero, *Hungry Moscow,* p.172; Banerji, *Merchants and Markets,* p.32.
[183] Borrero, *Hungry Moscow,* p.181; Banerji, *Merchants and Markets,* p.32.

control it, of whom around twenty were regularly sick or absent.[184] Whenever the capital placed more sustained efforts on fighting this defiance in its own backyard, sending Cheka divisions to arrest everyone breaking the monopoly, this just pushed the trading even further into the shadows, to staircases, courtyards and apartments.[185] The most difficult to swallow for the leadership was the increasingly obvious fact that it was not only the so-called 'petty bourgeoisie' in the persons of speculators and *kulaki* that were involved in the black market, but all sectors of the population, including those who were supposed to set an example.[186] Of people arrested between October 1919 and July 1920 for speculation, only 13% were traders by profession and a whole 25% were state officials.[187] Following a raid on Petrograd markets in August 1920, 1,000 of the 4,000 detainees were garrison soldiers.[188] The biggest problem for Bolshevik ideologists was the involvement of the industrial proletariat of the capitals. A 1918 survey found that 85% of Moscow workers admitted to purchasing bread and flour through the black market.[189] Even worse, as their factories collapsed and fell into chaos, workers increasingly abandoned their posts and took up petty trade as their primary occupation.[190]

The Tax in Kind and Razverstka

From autumn 1918 the increasingly desperate food-supply situation forced the party leaders to accept that the revolution was not progressing as they desired, and that their short-term remedy of asserting the power of the centre was not only failing, but in some ways exacerbating the situation. They now started to undertake a much more painful and soul-searching appraisal of affairs and the ways to move forward. This shift in mood can be traced to an article written by Lenin in

[184] Borrero, *Hungry Moscow,* p.180.
[185] M. McAuley, *Bread and Justice: State and Society in Petrograd, 1917-1922* (Oxford, 1991), pp.298-299; Narskii, *Zhizn' v Katastrofe,* p.480.
[186] Banerji, *Merchants and Markets,* p.37.
[187] Borrero, *Hungry Moscow,* p.182.
[188] Banerji, *Merchants and Markets,* p.34.
[189] Borrero, *Hungry Moscow,* p.182.
[190] Brower, '"The City in Danger", p.73; Banerji, *Merchants and Markets*, p.33.

the beginning of August entitled 'Theses on the Food Question'.[191] In this, he tentatively put forward several new suggestions which, though he stressed they were to be strictly temporary and partial, would go on to influence Soviet policy on trade and distribution for years to come.

One of Lenin's main concerns was the thorny issue of procuring food from the peasants. His new suggestion was a tax that they would have to pay the state in food.[192] This idea was explored by various narkomaty over the following three months and was made official policy in a decree at the end of October.[193] This was to be a progressive tax, with each household's liability calculated according to its consumption needs, the size of its sown land, and number of livestock. In political terms, the aim was to place the brunt of the tax on the *kulak*, a small amount on the middle peasant, and none on the village poor. In pursuing these measures, Lenin was accepting for the first time that his ideas on consumer communes would not be practicable in the foreseeable future. The tax principle essentially rejected the idea that communities would soon merge into classless and equal societies. It rather acknowledged and even legitimised the existing material differences between peasant households.

Although this was intended as a tax on an individual basis, it was not at first implemented as such. The details were to be developed by Narkomfin, but they were too slow to appear. In the meantime the entire soviet policy on the village was overhauled, which led to the tax principle being implemented in a rather different manner.[194] In January 1919 Sovnarkom replaced the Food Dictatorship with a new policy, razverstka.[195] This had been a popular method of taxing the countryside under tsarist rule, and there had recently been a successful experiment

[191] Lih, *Bread and Authority,* p.168.
[192] Lenin, 'Theses on the Food Question', 2nd August 1918, *Collected Works,* vol.28, p.46.
[193] 'Dekret ob Oblozhenii Sel'skikh Khoziaev Natural'nym Nalogom v vide Otchislenia Chasti Sel'sko khoziaistvennykh Produktov' (Decree on Imposing on Rural Owners a Natural Tax in the form of Deducting Part of their Agricultural Products), 26th October 1918, vol.3, pp.470-475.
[194] 'Dekret ob Oblozhenii', pp.472-473.
[195] From the Russian '*razverstat*'' meaning 'to distribute'.

with the system in Viatka province.[196] Instead of letting thousands of individual agents on the ground determine how much grain they should procure, under razverstka the centre declared a fixed amount that it needed. The responsibility for collecting this quantity was then split between the producing provinces, which in turn apportioned their allocation between their districts and so on right down to the village level.[197] The villagers were initially supposed to receive industrial goods and money in exchange for their food. However, as the state had neither, the leadership quickly came to promote razverstka as the tax itself.[198] Its main difference from Lenin's previous policy was that this tax was levied on the whole village and had to be paid collectively, rather than on an individual basis. The razverstka was intended to placate the peasantry, as it entailed a promise that the state would no longer interfere in the village provided the tax was paid.[199] However the following two years saw this policy fail because of its ruthless and arbitrary execution, which brought state-peasant relations down to a new low, culminating in mass peasant revolts in several regions.[200]

As a result, 1920 witnessed a growing initiative among the leadership to come back to a tax on the individual household. It wanted to assign each peasant a set amount well in advance, in accordance with which they could plan all their sowing and harvesting, and to guarantee them the free exploitation of any surplus they might produce.[201] This, leaders argued, would lay the foundation for a new relationship between state and the individual peasant based on transparency and trust. At the end of November Sovnarkom set up a commission to develop this

[196] Lih, *Bread and Authority,* pp.184-185; Retish, *Russia's Peasants* pp.174-175 (though Retish questions the extent of its actual success in Viatka).
[197] Lih, *Bread and Authority,* pp.178-185; Carr, *The Bolshevik Revolution,* vol.2, p.150; Kotsonis, *States of Obligation,* p.329.
[198] Lih, *Bread and Authority,* pp.184-185.
[199] Kotsonis, *States of Obligation,* p.329; B. Patenaude, 'Peasants into Russians: The Utopian Essence of War Communism', *Russian Review,* 54 (4), 1995, p.554.
[200] On revolts see E. Landis, *Bandits and Partisans: The Antonov Movement in the Russian Civil War* (Pittsburgh, 2008). On discrepancies in collecting the razverstka as a cause of revolts see Malle, *Economic Organization,* p.451.
[201] Lih, *Bread and Authority,* pp.213-214.

initiative, and its efforts culminated in the 'tax in kind' of February 1921, the herald of the New Economic Policy.[202]

As Lih has argued, besides effectively legitimising material differences between peasant households, the tax also represented an abandoning of the enlistment of the masses in favour of professional bureaucracy.[203] Sovnarkom scrapped the kombedy soon after the first tax decree was passed.[204] The tax entailed the development of powerful fiscal and juridical apparati tying every single peasant household to the central state. The countryside was now to be bound to the government through legal obligation rather than social consciousness. Meanwhile, the razverstka required a rigidly hierarchical and standardised state structure, as fixed quotas were dictated from the centre outwards, and named officials were held personally responsible for their fulfilment at every level. The shift towards governing through bureaucracy was reflected in leaders' rhetoric of the time. Lenin started to define enlistment as the recruitment of individuals into the state apparatus rather than the mobilisation of the masses in general:

> It is not true to say that we are not enlisting the masses; on the contrary, we give sincere support to anyone among the mass of workers with the least sign of talent, or ability.[205]

Trotsky expressed a similar viewpoint in an attempt to reconcile individual worker initiative with hierarchical structures of management:

> In the working class there are many forces, gifts and talents. They must be brought out and displayed in rivalry. The one-man principle in the administrative and technical sphere assists this.[206]

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[202] Malle, *Economic Organization,* p.451.
[203] See Lih, *Bread and Authority,* pp.171, 179-180.
[204] 'Instruktsiia o Poriadke Perevyborov', p.113.
[205] Lenin, 'Report on Party Unity and the Anarcho-Syndicalist Deviation', 16th March 1921, *Collected Works,* vol. 32 (Moscow, 1973), p.254. Lih has aptly referred to this shift as one from "the enlistment of masses" to "the enlistment of cadres" (*Bread and Authority,* p.212). The party leadership were far from unanimous in supporting these developments, however. Opposition groups, Workers' Opposition and the Democratic Centralists, emerged to challenge bureaucratisation and defend worker autonomy.
[206] L.D. Trotsky, *Terrorism and Communism*: *A Reply to Karl Kautsky* (London, 1975), p.173.

The tax also implied a change in approach towards petty trade. If peasants were granted full rights over all after-tax surplus they were inevitably going to sell some of this to consumers or other speculators. In early 1920 Trotsky and Iurii Larin, head of the Vesenkha presidium, started to argue that officially accepting some form of petty market activity was inevitable.[207] In effect, the Bolsheviks' approach had already been moving in this direction ever since mid-1918, in the form of greater leniency towards the bagmen.

Concessions to the Bagman

In the period between summer 1918 and early 1921 central decision-makers displayed a growing awareness that bagging was not limited to a few thousand profiteers but a phenomenon which embraced millions of starving Russians. One of the first measures in this vein was a Sovnarkom decree of July 1918 "On Speculation".[208] This clearly differentiated between those who dealt in monopolised goods "with a view to selling" and those who did so "not as a trade".[209] The first were to be punished "with nothing less than loss of freedom for a period of no less than ten years, together with the most demanding forced labour and the confiscation of all their property".[210] The latter were subject to a comparably lenient "loss of freedom for a period of no less than six months, together with forced labour and the confiscation of part of their property".[211]

Written less than two weeks later, Lenin's 'Food Question' theses raised the question of allowing workers of hungry regions to travel out to surplus territories and bring back a set amount of monopolised food goods. He stressed that this was to be strictly limited to 1.5 *pudy* per person, that workers were to obtain a specific authorisation from their

[207] I. Deutscher, *The Prophet Armed: Trotsky, 1879-1921* (Oxford, 1970), pp.496-497; S. Pirani, *The Russian Revolution in Retreat, 1920-24: Soviet Workers and the New Communist Elite* (London, 2008), p.51; Lih, *Bread and Authority,* p.227.
[208] 'Dekret o Spekuliatsii', 22nd July 1918, *Dekrety Sovetskoi Vlasti,* vol.3, pp.78-80.
[209] "with a view to selling" trans. from *"s tsel'iu sbyta"*. "not as a trade" trans. from *"ne v vide promysla"*.
[210] 'Dekret o Spekuliatsii', p.78.
[211] 'Dekret o Spekuliatsii', p.79.

workplace or Trade Union, and that it was to be a one-off measure lasting a month only.[212] Sovnarkom set about discussing how to put this into practice but failed to agree on a solution that would work nationwide. In the end they limited it to Moscow and Petrograd.[213] Powerless to actually stop the bagmen, the capitals were obliged to repeatedly prolong the initiative to at least try to channel them.[214] They also had to take additional facilitating measures, for example Moscow put on special weekend train services for workers going out to the countryside to bring back food.[215] By the end of 1920 Soviet policy on bagging was in practice one of unofficial acceptance, coupled with intermittent crackdown campaigns which were increasingly half-hearted.[216] Alongside this, leadership rhetoric was shifting from a relentless fight to the death with the speculator to long-term co-existence. In their 1919 book, *The ABC of Communism,* Bukharin and Bolshevik economist Evgenii Preobrazhenskii wrote:

> It would be absurd for the Soviet Power to prohibit petty trade when it is not itself in a position to replace the functions of this trade by the activity of its own organs of distribution.... Petty trade will cling tenaciously to life. Its extinction will be possible only in proportion as there passes through the hands of the State a larger and ever larger quantity of the products needed for the supply of the population.[217]

A year later Lenin wrote about the petty proprietors in a similar vein:

> ...they cannot be driven out; we must live in harmony with them; they can (and must) by remoulded and re-educated only by very prolonged, slow, cautious organizational work.[218]

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[212] Lenin, 'Theses on the Food Question', p.46. McAuley suggests that this had already been practiced in Petrograd in May on the spontaneous initiative of the local soviet, thus Lenin's idea may have been influenced by this experiment (*Bread and Justice,* p.296).
[213] 'Postanovlenie Soveta Narodnykh Komissarov' (Decree of the Soviet of People's Commissars), 17th January 1919, *Dekrety Sovetskoi Vlasti,* vol.3, pp.292-296.
[214] Lih, *Bread and Authority,* p.186; Borrero, *Hungry Moscow,* p.94.
[215] Borrero, *Hungry Moscow,* pp.95-96.
[216] Lih, *Bread and Authority,* pp.186, 220.
[217] N.I. Bukharin, E.A. Preobrazhensky, *The ABC of Communism,* Trans. E Paul and C. Paul (Harmondsworth, 1969), pp.378-379.
[218] Lenin, '"Left-Wing" Communism - An Infantile Disorder', June 1920, *Collected Works,* vol.31 (Moscow, 1966), p.44.

As the Kremlin came to accept bagging as a necessary and inevitable evil, it sought to create a more stable environment for it by professionalising and standardising the work of the blockade detachments. The 'Theses on the Food Question' combined a characteristically Leninist solution of improving accountability with a rather draconian nuance: detachment officials were to issue several copies of a receipt for any seized good, or face execution.[219] The corresponding decree came into force just two days later.[220] In it, mention of the death penalty was omitted in favour of arrest by the Cheka. Yet the drive to establish accountability and order was in full swing. First of all, any detachment wishing to conduct an inspection had to present written authorisation from Narkomprod to the most senior transport authority present as well as any passenger who demanded to see it. Then goods could only be confiscated in return for a receipt with full details of, among other things, the item, the holder, the time and place, and the location where the bearer could receive compensation. The detachment officers were to be polite with all passengers and avoid conflict wherever possible. All confiscated items were then to be submitted to the local Narkomprod office together with copies of all receipts, under the personal authority of the head of the detachment.

The following two years saw several more attempts to harness the detachments, and in January 1919 Sovnarkom announced a goal of gradually phasing them out entirely.[221] However, just because the Kremlin had unleashed the blockade detachments on the bagmen, this did not mean it necessarily had the power to rein them back in. In some

[219] Lenin, 'Theses on the Food Question', p.46. Though the advocacy of exemplary execution is arguably 'Leninist' as well: see pp.23, 88 of this thesis.
[220] 'Polozhenie o Zagraditel'nykh Rekvizitsionnykh Prodovol'stvennykh Otriadakh, Deistvuiushchikh na Zheleznodorozhnykh i Vodnykh Putiakh' (Decree on Blockade Requisition Supply Detachments, Working on Railway and Water Routes), 4th August 1918, *Dekrety Sovetskoi Vlasti,* vol.3, pp.170-172.
[221] On attempts to harness the detachments see Carr, *The Bolshevik Revolution,* vol.2, p.241; Lih, *Bread and Authority,* p.192. Sovnarkom made the announcement about phasing them out at the end of a decree extending food procurement rights to Moscow workers (*Dekrety Sovetskoi Vlasti,* vol.4, p.298, 17th January 1919): "All blockade foot detachments, except those of Komprod and the Gubprodkomy are to be immediately withdrawn. The detachments of Komprod and Uprodkomy will be removed as and when corresponding organs of the Workers' Inspectorate are created in the regions".

regions the lack of central influence made it impossible to regulate their activities.[222]

Ideological Underpinnings of the Shift

The party elite continued to use medical language to make ideological sense of their setbacks. The petty-bourgeois disease had taken hold and spread throughout society. The proletariat were severely infected, hence their preoccupation with speculating and their general lack of consciousness. At the Eighth Party Congress in March 1919 leader of the Soviet Far East, Vasilii Antonov, was explicit about the damage done by the contagion, calling the petty bourgeoisie "a well-defined stratum with a specific psychology [who] infected our own workers with that psychology" and "alien elements that had corrupted our soviet institutions".[223] Lenin unsurprisingly picked up on this trope, describing the proletariat as "bleeding and in state of prostration", and ruminating on how the petty bourgeoisie spread its disease:

> They encircle the proletariat on every side with a petty-bourgeois atmosphere, which permeates and corrupts the proletariat and causes constant relapses among the proletariat into petty bourgeois spinelessness, disunity, individualism...[224]

However, there was no more hope for a quick cure for the working class. For Lenin it was ceasing to exist as a revolutionary force; it was becoming entirely 'declassed'.[225]

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[222] This was the case in Moscow at the beginning of 1919, according to Borrero (*Hungry Moscow,* p.106).
[223] *Vos'moi S"ezd RKP(b). Mart 1919 goda. Protokoly* (Moscow, 1959), p.199.
[224] Lenin, 'Report on Party Unity', p.254; '"Left-Wing" Communism', pp.44-45. In a similar vein he said: "He [the enemy] is the petty bourgeois element which surrounds us like the air, and penetrates deep into the ranks of the proletariat..."; 'New Times and Old Mistakes in a New Guise', 20th August 1921, *Collected Works,* vol.33 (Moscow, 1973), p.23.
[225] Lenin, 'Report on the Tax in Kind', 26th May 1921, vol.32, p.412; 'New Times', p.23. Social historians have emphasised that there were in fact active working class socialist movements, however the Bolshevik leadership could not accept them as conscious due to its inherent vanguardism: S. Fitzpatrick, 'The Bolsheviks' Dilemma: Class, Culture and Politics in the Early Soviet Years', *Slavic Review* 47 (4), 1988, and several chapters from Koenker, Rosenberg, and Suny (eds.), *Party, State, and Society*, including S. Fitzpatrick,

The new rhetoric was essentially an acceptance that Russia had taken a huge step back on its path of development towards socialism. It had degraded from supposedly being a state-capitalist nation to an economy dominated by petty private production and distribution.[226] Moscow's solution was to develop, while using the small producers and traders for the time being, a powerful and expansive state infrastructure through which it could build a highly advanced economy anew and reinvigorate the proletariat.[227]

For this to happen, most party leaders, seeing themselves as the class-conscious vanguard of the workers, believed they would need to command the Soviet government for the foreseeable future. They sought to use the party organisation itself as an executive apparatus to realise their ambitions.[228] Over the course of the civil war the Bolshevik party had been undergoing a fundamental shift from a popular movement with a professional core, to a centralised and hierarchical institution.[229] The leadership looked to build on these developments at the Eighth Party Congress. The Congress created a new party decision-making body, the Politburo, with the authority to bypass the more unwieldy Soviet Sovnarkom, in order to resolve state matters urgently.[230] The Politburo quickly began to usurp Sovnarkom's position and within a year decisions

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'New Perspectives on the Civil War', and Brower, '"The City in Danger"', and D.P. Koenker, 'Urbanization and Deurbanization in The Russian Revolution and Civil War'. Also see Pirani, *The Russian Revolution,* p.21.

[226] See Lenin's table of stages on p.82 of this thesis.

[227] On the proposed rebuilding of the economy and the proletariat, see N. Harding, *Leninism* (Basingstoke and London, 1996), pp.189-190. As was the case in spring 1918, there was opposition to the new direction. The Democratic Centralists and Workers' Opposition tried to fight the growing bureaucratic and hierarchical tendencies, demanding more worker self-organisation. However such movements were less influential than before and the majority of the elite were convinced of the need for serious structural centralisation. See Pirani, *The Russian Revolution,* ch.2.

[228] Read, *War and Revolution*, pp.170, 188.

[229] R. Sakwa, *Soviet Communists in Power: A Study of Moscow during the Civil War, 1918-21* (Basingstoke, 1988), pp.96-97; R. Service, *The Bolshevik Party in Revolution: A Study in Organisational Change, 1917-1923* (London and Basingstoke, 1979), p.8, ch.4; Williams, *Lenin,* pp.101-102.

[230] 'Soviet Sovnarkom': Sovnarkom formally represented the soviets, whereas the Politburo was purely an organ of the Bolshevik party. On the creation of the Politburo see Service, *The Bolshevik Party,* p.107; M. Liebman, *Leninism under Lenin.* Trans. B. Pearce (Pontypool, 1980), p.282; L. Douds, 'Executive Power in the Early Soviet Government: Party and State, 1917-22' in C. Read, P. Waldron and A. Lindenmeyr (eds.), *Russia's Home Front in War and Revolution. Book 4: Reintegration - The Struggle for the State* (Bloomington, 2018), pp.353-354. Douds notes that Sovnarkom was getting increasingly weighed down with routine and paperwork. Several members of the Politburo were in fact also members of Sovnarkom, including Lenin (Read, *Lenin*, p.241).

made by the latter were already being appealed to the former.[231] The Congress also called for party cells to be set up in all Soviet organs and workplaces.[232] These were groups of all the Bolsheviks employed at an institution and they were to make sure their colleagues and bosses fulfilled party directives.[233] However, first the leadership needed to change the makeup of the party to ensure that there would be enough loyal agents to carry out their orders. A month after the Congress, a mass purge began to rid the party of 'unconscious' elements, followed by an extensive recruitment drive in September.[234]

Under their guidance, party leaders believed that Russia would eventually return to square one, an economy and a people ripening for socialism. This was clearly no quick fix, yet through rational state planning, it would not take the several hundred years that bourgeois capitalism had taken to develop. Trotsky spoke of leaping over "a whole series of intermediate stages" and creating an advanced economy from scratch.[235] Several commentators suggested a time-frame of twenty to thirty years.[236]

Despite the claims of some historians, there were very few, if any, Bolshevik leaders who believed that their efforts over the past few years had actually brought Russia close to communism, or that the present task of state-building was in itself the final leap to socialism.[237] The two texts usually associated with these viewpoints, Bukharin and Preobrazhenskii's *The ABC of Communism* and Trotsky's *Terrorism and Communism*, do not express such beliefs at all. Bukharin and Preobrazhensky were quite frank about Russia's dire economic and social situation and the long and difficult road ahead.[238] They viewed the state

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[231] Douds, 'Executive Power', pp.354-359.
[232] Read, *From Tsar to Soviets*, pp.213-214; Liebman, *Leninism,* p.280; Sakwa, *Soviet Communists,* pp.115, 119,125.
[233] On party cells see also pp.230-249 of this thesis.
[234] Read, *Lenin*, p.245; Service, *The Bolshevik Party,* p.115.
[235] Trotsky, *Terrorism and Communism*, pp.168-169.
[236] Trotsky, *Terrorism and Communism*, p.178; Bukharin and Preobrazhensky, *The ABC*, pp.116-117.
[237] See for example Pirani, *The Russian Revolution,* p.49; Siegelbaum, *Soviet State and Society,* pp.11-12; Cohen, *Bukharin,* pp.85-87; J.D. White, *Lenin: The Practice and Theory of Revolution* (Basingstoke, 2001), p.165; Borrero, *Hungry Moscow,* p.47.
[238] Statements to this effect can be found on pp.116-117, 207, 210, 213-214 of *The ABC.* A similar point is made in L.T. Lih, 'The Mystery of the ABC', *Slavic Review,* 56 (1), 1997.

merely as a tool for getting things back on the right rails, after which it would slowly melt away:

> ...as soon as the exploiters have been repressed, bridled and tamed, as soon as they have been trained to work and have become workers like everyone else, the pressure upon them will be relaxed and the Dictatorship of the Proletariat will gradually disappear.[239]

Communism would come about when this process was entirely completed:

> …...the proletarian state will gradually die out, and will undergo transformation into a stateless communist society...[240]

Trotsky's account of the situation was very similar, though perhaps with added disciplinarian relish. He stressed the need for a strong state now so that there would be no need for a state at all later:

> ...under socialism there will not exist the apparatus of compulsion itself, namely, the state: for it will have melted away entirely into a producing and consuming commune. None the less, the road to socialism lies through a period of the highest possible intensification of the principle of the state. And you and I are just passing through that period. Just as a lamp, before going out, shoots up in a brilliant flame, so the state, before disappearing, assumes the form of the Dictatorship of the Proletariat, i.e., the most ruthless form of the state...[241]
>
> Also:
>
> To difficult periods in the life of peoples and classes there correspond harsh measures. The further we go the easier things become, the freer every citizen will feel, the more imperceptible will become the compelling force of the proletarian state.[242]

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[239] Bukharin and Preobrazhensky, *The ABC*, p.221.
[240] Bukharin and Preobrazhensky, *The ABC*, p.222.
[241] Trotsky, *Terrorism and Communism,* p.177.
[242] Trotsky, *Terrorism and Communism,* pp.181-182.

Conclusion

According to many secondary accounts, Bolshevik policy during the years between the revolution and the end of the civil war was primarily concerned with building up a super-centralised totalitarian government and reducing all aspects of the economy to appendages of the state. This interpretation also tends to argue that the party treated its victory in the war as an affirmation of this policy and intended to continue pursuing it in peacetime. According to some, the Bolsheviks now equated socialism itself with statisation, and may even have believed they had already built socialism through this approach.[243] Thus the adoption of the New Economic Policy in 1921 represented a sudden and unforeseen retreat and was a massive shock to all concerned. Scholars have often placed the party's approach to trade and distribution at the very heart of this 'War Communism', characterising it as a bid to permanently replace private commerce with a pervasive militarised apparatus for seizing and controlling all goods.[244] Yet a close study of this sphere has shown that trade policy actually went through two distinct stages during the civil war period, neither of which fit this paradigm.

The first stage saw Narkomprod attempt to assert power over regional food supply as the centre grew disappointed with the leadership capabilities of the provinces. Translated into the language of ideology this was a bid to contain a petty bourgeois infestation, to give the proletariat chance to rise up and realise their destiny as the ruling class. For trade,

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[243] For these views see for example Deutscher, *The Prophet Armed,* p.489; Patenaude, 'Peasants into Russians'; Pirani, *The Russian Revolution,* p.9; R. Pipes, *Russia under the Bolshevik Regime, 1919-1924* (London, 1995); M.E. Malia, *The Soviet Tragedy: A History of Socialism in Russia, 1917-1991* (New York and London, 1996); M. Lewin, 'The Civil War Dynamics and Legacy', in Koenker, Rosenberg and Suny (eds.), *Party, State, and Society,* p.418; Cohen, *Bukharin,* pp.78-87; Szamuely, *First Models*, ch.1; White, *Lenin,* p.165.

[244] Szamuely, *First Models,* p.13; Malle, *Economic Organization,* p.373. For a critique of this approach see L.T. Lih, 'Bolshevik *Razverstka* and War Communism', *Slavic Review,* 44 (4), 1986, p.673. Admittedly, some aspects of the 'War Communism' outlook do seem to have been popular among what Pirani refers to as the 'civil war communists' (*The Russian Revolution,* pp.44-45, 51-52). These were middle and lower-ranking party members who had joined only recently (i.e. not central theorists or policy-makers), and their understanding of Bolshevism had been shaped primarily by civil war realities on the ground. Their experiences led them to favour militarised government, especially as it gave them, as Bolsheviks, a sense of power over ordinary 'civilians'. In a similar vein they were likely to be against private enterprise as they sought to take direct control over resources. On this see Narskii, *Zhizn' v Katastrofe,* pp.454-460.

this did not mean a ban on private activity. It was an attempt to bring the commercial infrastructure under the supervision of a central organ to protect it from repression by local authorities and to co-ordinate it rationally. It was only the phenomenon of individual bagging or speculating that the Kremlin aimed to permanently destroy, primarily because it could not be regulated or organised effectively, but also out of moral disgust. These centralising measures were intended as a short-term solution and leaders continued to rely on enlisting wide sections of the population for their execution.

This approach did not meet with success largely due to Narkomprod's lack of a loyal apparatus outside Moscow, and the failure of the kombedy and worker detachments to execute its decisions effectively. Peasants grew evermore hostile to the arbitrary interventions into their affairs, and refused to part with their surplus food. Meanwhile the remaining shops and wholesalers continued to face persecution from a host of overlapping authorities, and many proceeded to shut up shop. Millions of workers, peasants and professionals were now forced to take up bagging.

From autumn 1918 the leadership started to formulate a much longer-term and deeper-seated detour from their original visions. They started laying the foundations of a hierarchical professional bureaucracy to manage affairs directly. They believed that the party-state could be used to reconstruct the commercial infrastructure, as can be seen in Sovnarkom's attempt to reorganise the co-operatives in 1919. While it was being rebuilt, the petty trader would act as the backbone of soviet commerce. Though demoralised by the perceived moral corruption of the masses, the Kremlin was becoming increasingly aware that the hordes of baggers were the only real force for food distribution and consequently speculation would have to be tolerated for the foreseeable future, with a view to channelling and controlling it as much as possible.

Thus this course, which was widely supported among the party elite by late 1920, already contained the main tenets of the NEP of the following year. Before then much of this new approach would find

extensive development in the growing sphere of foreign trade, as shall be explored in the next chapter.

Chapter Three: Trading with the Enemy: Bolshevik Approaches to Foreign Economic Relations 1917-1920

Alongside trying to formulate a trading policy for the Proletarian Dictatorship, the Bolsheviks' first years in power also found them struggling with the question of how to exchange goods with other nations. As with domestic trade, they had given little thought to this issue prior to 1917. Believing that the Russian revolution would be accompanied by similar upheavals abroad, they expected the separate national economies to merge into a worldwide system of socialist distribution. However, months and then years passed and this did not happen, meanwhile the civil wars reduced the Russian economy to a state from which independent recovery would be no mean feat. The party increasingly turned to a solution previously unthinkable - to approach the sharks of western capital and risk getting ensnared in imperialism's webs of exploitation.

This chapter traces Bolshevik thinking on foreign trade from the revolution until the end of the civil wars. As with domestic trade, early policies represented an attempt to assert central state control over the sphere to direct it effectively while awaiting the proletariat to fulfil their destiny, in this case, awaiting the foreign proletariat to overthrow their rulers. Then, with this not coming to pass, the Kremlin moved towards establishing a professional bureaucracy ready to engage in commerce on a much more serious level, foreshadowing the New Economic Policy of the following year. At the same time, many Bolsheviks continued to fear that involvement in trading activities would have a toxic effect on the socialist project, and sought to control them tightly. Both trade and its regulation increasingly became a matter for the party and state bureaucracy, paving the way for much confusion and antagonism in soviet policy in the years to come.

Part One: The Emergence of Soviet Foreign Economic Policy and its Early Manifestations

Early Bolshevik Thought on the Spread of the Revolution

Until the turn of the century, Russian Marxists had not entertained the possibility that theirs might be the first nation to undergo revolution. They believed that the upheaval would break out in the most economically advanced nations first and then spread to the more 'backwards' countries. However, after the uprising of 1905 some started to consider what would happen if a revolution in fact did happen in Russia while capitalism continued to reign in the west. Trotsky argued that it would have to immediately tie up its fate with that of the world revolution as, if it didn't spread, the imperialist governments would destroy it:

> Should the Russian proletariat find itself in power, if only as the result of a temporary conjuncture of circumstances in our bourgeois revolution, it will encounter the organized hostility of world reaction... Left to its own resources, the working class of Russia will inevitably be crushed by the counter-revolution... It will have no alternative but to link the fate of its political rule, and, hence, the fate of the whole Russian revolution, with the fate of the socialist revolution in Europe.[1]

Trotsky remained convinced of this even when the Bolsheviks came to power. Speaking on the 8th November 1917 at the Second Congress of Soviets he said the following:

> Either the Russian revolution will raise the whirlwind of struggle in the west, or the capitalists of all countries will crush our revolution...[2]

Meanwhile, as the First World War dragged on, Lenin was coming to the opinion that a Soviet republic might be able to exist for some time

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[1] L.D. Trotsky, *Results and Prospects* (1906), ch.9: https://www.marxists.org/archive/trotsky/1931/tpr/rp09.htm [accessed 09.01.2019]. Also see R.B. Day, *Leon Trotsky and the Politics of Economic Isolation,* (Cambridge, 1973), ch.14.
[2] L.D. Trotsky, *The History of the Russian Revolution,* vol.3 (1930), Ch.47: https://www.marxists.org/archive/trotsky/1930/hrr/ch47.htm [accessed 09.01.2019].

among capitalist powers, as long as the latter continued to be engrossed in fighting each other and were unable to turn their forces against Russia. However, this was not the 'peaceful co-existence' that soviet historians of foreign policy have tended to ascribe to him, implying long-term friendly relations.[3] Lenin was quite clear he didn't view genuine peace as possible. This could only be achieved with other socialist governments:

> ...a really lasting and democratic peace... cannot be achieved without a proletarian revolution in a number of countries.[4]

Even if revolutionary Russia did manage to survive temporarily in a capitalist world, Lenin did not believe it could make the transition to socialism on its own, therefore it would be stuck in a kind of limbo, a sitting target for the counter-revolution.[5] Marx had argued that socialism was only possible in the most advanced economies where decades of capitalist development had already provided the necessary

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[3] A.A. Gromyko and B.N. Ponomareva, *Istoriia Vneshnei Politiki SSSR, 1917-1975* (Moscow, 1969), pp.11-13, 139; V.A. Shishkin, *V.I. Lenin i Vneshne-Ekonomicheskaia Politika Sovetskogo Gosudarstva (1917-1923 gg.)* (Leningrad, 1977), p.105; V.A. Shishkin, *Sovetskoe Gosudarstvo i Strana Zapada v 1917-1923 gg.* (Leningrad, 1969), p.19. This tendency is motivated by a desire to cast Lenin's views as consistent over time and to justify subsequent Soviet foreign policy. As Shishkin rather defensively claims (*V.I. Lenin,* p.105): "It is important to point out that Lenin's conception of economic relations with capitalist countries is not the result of some volte-face in Soviet policy in the early 1920s, as many bourgeois historians claim.... the foundation and development of the general conception of economic relations between Soviet Russia and the capitalist world took place throughout the period 1917-1924, and are certainly not limited to the early 1920s".

[4] V.I. Lenin, 'Letters from Afar', 8th April 1917, *Collected Works,* vol.23 (Moscow, 1964), p.340.

[5] Lenin, 'Farewell Letter to Swiss workers', 8th April 1917, *Collected Works,* vol.23, p.372; Day, *Leon Trotsky,* ch.1; A.G. Meyer, *Leninism* (Cambridge, Massachusetts, 1957), p.220. Stalin would later argue the opposite, that Lenin had in fact consistently held that it was possible to build socialism in Russia alone. This view has been subsequently put forward by Soviet and many western historians alike (see for example; Shishkin, *V.I. Lenin*, p.106; 116; *The Bolsheviks and the October Revolution: Minutes of the Central Committee of the Russian Social-Democratic Labour Party (bolsheviks) August 1917 - February 1918,* Trans. A. Bone (London, 1975), p.313 (explanatory note); Day, *Leon Trotsky,* pp.15-16; D. Armstrong, *Revolution and World Order: The Revolutionary State in International Society* (Oxford, 1993), pp.124-125). It is based on Lenin's polemic with Trotsky from August 1915 in which he said the following: "...the victory of socialism is possible first in several or even in one capitalist country alone" ('On the Slogan for a United States of Europe', 23rd August 1915 (O.S.), *Collected Works,* vol.21 (Moscow, 1964), pp.339-343. However it is clear from the context, and from his consistent comments on the subject that by 'capitalist country' he did not mean Russia but one of the strongest European economies. Indeed when talking about Russia Lenin said the exact opposite: "The final victory of socialism in a single country is of course impossible" (Lenin, 'Third All-Russia Congress of Soviets of Workers', Soldiers' and Peasants' Deputies', 24th January 1918, *Collected Works,* vol.26 (Moscow, 1964), p.470).

infrastructure.[6] The Bolsheviks believed that Russia would require the assistance of more developed socialist nations to perfect its relatively backwards economy.[7]

Therefore the party approached October with the belief that for the revolution to succeed, it would quickly have to spread from Russia and engulf the west.

First Steps in Foreign Policy

On coming to power, the Bolsheviks began to put their theories into policy. To start with Lenin offered a strategic peace to all the belligerent nations.[8] The offer announced that the Soviet government would abolish secret diplomacy and called on other nations to enter into open talks. It implored them to come to a just and democratic peace without annexing territory, or exacting contributions, from their adversaries. The Bolsheviks hoped for one of two outcomes. In one scenario, their noble offer would arouse the sympathy of western workers who would then put pressure on their leaders not to attack Soviet Russia, giving the latter a breathing space to sort its affairs at home and await revolution in the west.[9] Alternatively, the imperialist governments would reject the peace out of hand, would move to attack Russia and this would provoke immediate upheaval throughout Europe as the international proletariat stepped in to protect their Soviet comrades.[10] The Bolsheviks' predictions surrounding the foreign proletariat's behaviour would soon prove just as

[6] See Chapter 1, Part 1 of this thesis on Russian Marxists' views on the road to socialism.
[7] Bolshevik theorists wrote little of how international socialist co-operation would work. However, logically extending Lenin's writings about socialist society being "one single co-operative" (see pp.50-52, 98-105 of this thesis), we can suppose he intended the proletariat to take control of the international co-operative movement and use this to organise a socially conscious distribution of goods. It would then merge over time into a global network of producers' and consumers' communes as the era of world communism dawned.
[8] Lenin, 'Decree on Peace', 8th November 1917, *Collected Works,* vol.26, pp.249-250.
[9] Lenin, 'The Tasks of the Revolution', 26-27th September 1917, *Collected Works,* vol.26, pp.62-63; Trotsky, *History*, ch.47.
[10] Lenin, 'The Tasks', pp.62-63; Trotsky 'History', ch.47; L.D. Trotsky, *Peace Negotiations and the Revolution* (1918): https://www.marxists.org/archive/trotsky/1918/02/peace.htm [accessed 09.01.2019].

misjudged as their expectations about the Russian workers in the domestic economy.[11]

Peace negotiations with Germany began on the 22nd December 1917. The German government put forward much harsher conditions than expected. It demanded Russia give up all territory occupied during the war, renounce its imperial subjects Poland, Lithuania and Courland, and pay a huge indemnity, without offering anything in return.[12] The German proletariat did not come to the aid of the Bolsheviks and they were left to deal single-handedly with rapacious German imperialism.[13] The leadership split over what to do.[14] Lenin advocated accepting the terms and signing the peace. He argued that the Russian revolution was something real to be safeguarded at any cost, whereas the timing of the international revolution was difficult to predict. Failing to appease the Germans would lead to an attack on Russia and the collapse of Soviet power. However when he first put forward this view, at a party conference on the 21st January, only a quarter of attendees agreed with him.[15] The most popular option, proposed by Bukharin, was to launch a revolutionary war on Germany. Bukharin argued that this would inspire underground movements in the Central Powers to rise up in open revolt. For Bukharin, the preservation of Soviet Russia was not worth the price the Germans were demanding, as such a capitulation would extinguish the revolutionary fervour both overseas and in Russia itself.[16] At a Central Committee meeting three days later, both sides came to a compromise position put forward by Trotsky. This involved doing everything possible to drag out the negotiations while not provoking a German attack.[17] However, the German government did not tolerate this

[11] See pp.49-50, 54- 57, 67-71, 75-79 of this thesis.
[12] *Minutes of the Central Committee,* pp.309-310; W.B. Lincoln*, Passage through Armageddon. The Russians in War & Revolution 1914-1918* (New York, 1986), pp. 489–491.
[13] For a summary of Bolshevik discussions in the run-up to the Brest Treaty see C. Read, *Lenin: A Revolutionary Life* (Abingdon and New York, 2005), pp.197-200.
[14] On the split see Read, *Lenin,* p.198; *Minutes of the Central Committee*, pp.173, 175-180, 312; Lenin, 'Theses on the Question of the Immediate Conclusion of a Separate and Annexationist Peace', 20th January 1918, *Collected Works,* vol.26, pp.442-448, plus corresponding footnotes on pp.571-572.
[15] Lenin, 'Theses on the Question', pp.442-444.
[16] *Minutes of the Central Committee*, pp.175-176.
[17] *Minutes of the Central Committee*, p.179.

for long and in mid-February advanced against the faltering Russian front. Lenin now set about trying to persuade his comrades to agree to new German peace terms that were even more onerous than before. A full five days after the attack he managed to scrape a tiny majority in the Central Committee. The peace was signed on the 3rd March.[18]

The Question of Economic Relations

An issue exacerbating the leadership split was whether, having secured peace, a proletarian dictatorship should have economic relations with capitalist powers. It was not an attractive prospect. During the war, party leaders had written multiple essays and pamphlets detailing how the imperialists sucked the wealth from weaker nations and forced them into financial and diplomatic dependency.[19] In *Imperialism*, Lenin had argued that, with the world already divided up into colonies, the imperialists were now looking to dominate the weaker of the politically independent states, into which category he included Tsarist Russia.[20] They lent the weaker nation credit in return for monopolistic privileges, slowly indebting it and gaining control over its infrastructure.[21] In this way, Russia had been slowly losing its independence to British and French investors who owned, among other things, a large share of its railways.[22] Lenin remained adamant about the unavoidably ensnaring nature of western capital right up to the revolution, commenting in October:

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[18] Read, *Lenin,* p.199; *Minutes of the Central Committee*, p.310.
[19] The works include Lenin, 'Imperialism: The Highest Stage of Capitalism', written January-June 1916, *Collected Works,* vol.22 (Moscow, 1964), pp.185-360; N.B. Bukharin, 'Toward a Theory of the Imperialist State' (1915), https://www.marxists.org/archive/bukharin/works/1915/state.htm [accessed 15.08.2018] and *Imperialism and World Economy* (1917): https://www.marxists.org/archive/bukharin/works/1917/imperial/index.htm [accessed 15.08.2018]; G. Zinoviev, *What is Imperialism?* (1916): https://www.marxists.org/archive/zinoviev/works/x01/x01.htm [accessed 09.01.2019].
[20] Lenin, 'Imperialism', p.260.
[21] Lenin, 'Imperialism', p.244. According to Lenin, these privileges typically included the right to build a coaling station, a contract to build a harbour, or an obligation that part of the loan will be spent in the creditor country.
[22] Lenin, 'Imperialism', pp.263, 275; RGASPI, f.159, op.2, d.27, l.147: Letter from G.V. Chicherin to V.I. Lenin, 25th October 1921. Chicherin, head of the Soviet Foreign Ministry, recounted how, in political emigration during the war, he and another future Soviet leader, Grigorii Sokol'nikov, had frequently argued in the Parisian newspaper *Nashe Slovo* that England was seeking to transform Russia into a colony of English capital. Chicherin warned Lenin that it would do the same now given half a chance.

> "Allied Financial aid" enriches the bankers and "supports" the Russian workers and peasants in exactly the same way as a rope supports a man who has been hanged.[23]

At this time he believed Russia had enough resources to last until the revolution spread. The proletariat's job was to take these out of the hands of the bourgeois monopolists and redistribute them.[24] However, a month later, while the Bolshevik insurrection was still unfolding, Lenin was already rethinking his position. At the Second Congress of Soviets he suggested that, through careful diplomacy, it was in fact possible have economic relations with imperialist nations without getting tied up in webs of colonial bondage:

> We shall not bind ourselves by treaties. We shall not allow ourselves to be entangled by treaties. We reject all clauses on plunder and violence, but we shall welcome all clauses containing provisions for good-neighbourly relations and all economic agreements; we cannot reject these.[25]

However, Lenin had his work cut out trying to persuade his comrades, especially Bukharin's faction, known as the Left Communists, that this was possible.[26] The topic was first brought up for discussion at a Central Committee meeting in early February 1918, when members were invited to vote on the question "Are economic treaties between a socialist state and an imperialist state admissable".[27] On this occasion Lenin managed a significant majority, with twelve attendees voting yes and only two against, although three members had left before the vote, including Bukharin and another Left Communist, Moisei Uritskii. However, when the discussion moved from the theoretical to the practical realm it proved highly divisive. After the German army advanced on the Russian front, the French and British military missions offered to lend Soviet Russia

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[23] Lenin, 'The Tasks', p.63.
[24] Lenin, 'The Tasks', p.63.
[25] Lenin, 'Decree on Peace', p.252. Then, on 10th December, in a meeting about the forthcoming peace negotiations with Germany, he stressed that "The talks should be political and economic" (Lenin, 'Outline Programme for Peace Negotiations', *Collected Works,* vol.26, p.349).
[26] On the Left Communists see also pp.91-92 of this thesis.
[27] *Minutes of the Central Committee*, p.198; Shishkin, *V.I. Lenin,* p.107.

military aid and food to help it fight the common enemy. On the 22nd February, the Central Committee met to discuss where it stood on the matter. The Left Communists were horrified that the issue was even being taken seriously. Bukharin argued it was "unthinkable to accept support from imperialists of any sort", and warned that the offer was a trick to turn Russia into a colony.[28] Andrei Bubnov, one of the organisers of the October revolution and a founding member of the Politburo, stressed the inevitable strings attached to the offer:

> You will not get guns without instructors. Aid is offered in their own interests. Here we have a direct plan to use us in their own interests. It will get us into a position where our internationalism goes to pot.[29]

Trotsky, who had come over to Lenin's side, suggested conceptually separating the party from the state. While it might, he argued, indeed seem 'unthinkable' for a Marxist party to directly accept support from imperialists, it could utilise the state diplomatic infrastructure to enter into those discussions, leaving the party itself free and independent from any obligation: "The state is forced to do what the Party would not do".[30] Trotsky's position won six votes to five. A devastated Bukharin resigned from the Central Committee and as editor of *Pravda.* Along with ten other Left Communists he submitted a statement to the Central Committee refusing to accept any form of conciliation towards the west, and warning that economic relations would be the death-knell of the socialist project:

> The restrictions we will be forced to make... in the sphere of action of the Soviet authorities' economic programme to make way for capital of German origin will mean that the work the proletariat has done

[28] *Minutes of the Central Committee*, p.213.
[29] *Minutes of the Central Committee*, p.214.
[30] *Minutes of the Central Committee*, p.213. On pp.214-215 he explains further: "As the party of the socialist proletariat which is in power... we mobilise every means through state institutions to arm and supply our revolutionary army in the best way possible with all necessary resources and, for that purpose, we obtain them where we can, including therefore from capitalist governments. In doing this, the Russian Social-Democratic Labour Party retains full independence in its external politics, gives no political undertakings to capitalist governments and examines their proposals in each separate case according to what is expedient".

since the October revolution to build socialism will be brought to nothing.[31]

Lenin had been absent from the meeting but sent a rather jaunty note, its light-heartedness mocking the Left Communists for the gravity they attached to the decision:

Please add my vote *for* taking spuds and guns from the bandits of Anglo-French Imperialism.[32]

On the same day he developed his thoughts in an article entitled 'The Itch', haranguing his opponents for their sanctimonious stance.[33] Lenin argued that ultimately, it was irrelevant how and from whom the party received supplies, all that mattered was what it used them for. He drew an analogy between Soviet Russia's predicament and a revolutionary terrorist buying a gun from a criminal in order to assassinate a tyrant. He contrasted this transaction with that of a thief buying the same gun to commit armed robbery:

Isn't there a difference between killing for the purpose of robbery and the killing of an aggressor?... Does not the appraisal whether I act well or badly in acquiring weapons from a robber depend on the end and object of these weapons?[34]

In the end, the discussion of whether or not to accept the Anglo-French offer proved immaterial, as both these governments quickly came to

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[31] *Minutes of the Central Committee*, pp.215-216.

[32] Lenin, *Polnoe Sobranie Sochinenii,* 5th ed., vol.35 (Moscow, 1974), p.489, footnote 142. Original: "*Proshu prisoedinit' moi golos za vziatie kartoshki i oruzhiia u razboinikov anglo-frantsuzskogo imperializma*". On this occasion I have translated Lenin from the Russian edition rather than using the English translation of his works, which has the word 'potatoes' instead of 'spuds'. The Russian word *kartoshki* is an informal term and in my opinion is better translated as 'spuds'. This gives a better sense of the light-heartedness of his note.

[33] Lenin used the 'itch' as an extended metaphor referring to an ailment whereby one feels a constant compulsion to blurt out revolutionary phrases in a principled manner regardless of the delicate and subtle context, an obvious attack on the Left Communists. "Ugh! The itch is a nasty disease. And hard is the occupation of a man who has to give a steam bath to those infected with it..." ('The Itch', 22nd February 1918, *Collected Works,* vol.27 (Moscow, 1965), p.39. This was one of several polemical articles Lenin wrote against the Left Communists, see also 'The Revolutionary Phrase' (21st February 1918, vol.27, pp.19-30) and 'Strange and Monstrous' (28th February and 1st March 1918, vol.27, pp.68-76)).

[34] Lenin, 'O Chesotke' ('The Itch'), *Polnoe Sobranie Sochinenii,* 5th ed., vol.35, p.364. In this case I have translated this quote from Russian as the English translation has a confusing mistranslation "Is there a difference...".

reject any relations with Soviet Russia once it signed the Brest-Litovsk Treaty several days later. Nevertheless the conclusions that the majority headed by Lenin had come to would set the tone for the party's approach to foreign economic relations for the whole course of soviet period.

First Steps in Foreign Trade

The question remained: how to do business with the imperialists without them exerting harmful influences over the Soviet economy? Lenin's solution mirrored his approach to tackling the petty bourgeois tendencies at home: asserting central control over operations. By the end of 1917 he had already come up with an idea for a state monopoly over all soviet trading activity with other nations.[35] Following the resumption of relations with Germany he called for this to be organised as a primary necessity:

> Without this monopoly we shall not be able to "free ourselves" from foreign capital by paying "tribute". And the possibility of building up socialism depends entirely on whether we shall be able to "free ourselves" from foreign capital during a certain transitional period, to safeguard our internal economic independence.[36]

This culminated in the April 1918 decree 'On the Nationalisation of Foreign Trade'.[37] As with the 'Food Dictatorship' policy of the same time, this entailed a central organ, in this case NarkomTiP, harnessing existing agencies to utilise them in a way that eased the crisis.[38] It was not, as

[35] Lenin, 'K Proektu Dekreta o Provedenii v zhizn' Natsionalizatsii Bankov i o Neobkhodimykh v sviazi s etim Merakh', *Polnoe Sobranie Sochinenii,* written no earlier than 27th December 1917, 5th ed., vol.35, p.429. Lenin mentions that foreign trade is to be announced a government monopoly. This document appears to be missing from the English language *Collected Works.*
[36] Lenin 'The Immediate Tasks of the Soviet Government', April 1918, *Collected Works,* vol.27, p.252. On Bolshevik fears about German capital following the conclusion of the Brest Treaty see T.E. O'Connor, *The Engineer of Revolution: L.B. Krasin and the Bolsheviks, 1870-1926* (Boulder, 1992), p.152; E.H. Carr, *The Bolshevik Revolution, 1917-1923,* vol.3 (London, 1961), p.129.
[37] 'Dekret o Natsionalizatsii Vneshnei Torgovli' (Decree on the Nationalisation of Foreign Trade), 22nd April 1918, *Dekrety Sovetskoi Vlasti,* vol.2 (Moscow, 1959), pp.158-160.
[38] Indeed for Lenin, the monopolies in domestic and foreign trade went hand-in-hand, as can be seen in the following instruction: "Consolidate and improve the state monopolies (in grain, leather etc.) which have already been introduced, and by doing so prepare for the state monopoly of foreign trade" ('The Immediate Tasks', p.252).

several scholars have claimed, an attempt to replace all existing trading enterprises with state apparati.[39] The aim was to create an import-export plan and then authorise counter-agents, including co-operative and private trading firms, to conduct trade in accordance with that plan. NarkomTiP head Mechislav Bronskii emphasised the continued importance of the private sector:

> The nationalisation of foreign trade does not mean the exclusion of the private trading apparatus from the general work. On the contrary, it means the consolidation and organisation of this apparatus, the recruitment of the whole of Russia's trading world to government work.[40]

Even the NarkomTiP's Council for Foreign Trade, the body responsible for creating and overseeing the plan, was to include representatives from co-operatives and large trading firms.[41]

As in domestic trade, Soviet policy was to prioritise the co-operatives as the main vehicle for exchanging goods with other nations.[42] Besides Lenin's insistence that the co-operatives were the key to building socialism, there were also more pragmatic reasons for this.[43] The Russian co-operative movement boasted extensive ties abroad and a good

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[39] O'Connor, *The Engineer of Revolution,* p.151; Carr, *The Bolshevik Revolution,* vol.3, p.129; M.R. Dohan, 'Foreign Trade', in R.W. Davies (ed.), *From Tsarism to the New Economic Policy: Continuity and Change in the Economy of the USSR* (London, 1990), p.218; Shishkin, *Sovetskoe Gosudarstvo*, p.91.). This further casts doubt on the idea of a 'War Communist' drive to statise the Soviet economy, especially as some scholars have spoken of the monopoly as an integral part of the War Communist system (Carr, *The Bolshevik Revolution,* vol.3, p.130; O'Connor, *The Engineer of Revolution*, p.151; S.A. Smith, *Russia in Revolution: An Empire in Crisis, 1890-1928* (Oxford, 2017), p.221.
[40] I.N. Zemskov et. al. (eds.), *Dokumenti Vneshnei Politiki*, vol.1 (Moscow, 1959), p.676. This is from a speech Bronskii gave at a meeting of the Russian-German commission for the restoration of economic relations between the two countries, 15th May 1918.
[41] 'Dekret o Natsionalizatsii', p.159; RGAE, f.413, op.2, d.44a, l.1: From 'Obzor Deiatel'nosti *NKTiP*' (Report on the Activities of the NKTiP), N.D.: "The council was made up of representatives of state institutions*, glavki* (state bodies for co-ordinating specific industrial sectors), co-operatives, trade-industrial and agricultural organisations, trade unions and traders".
[42] RGAE, f.413, op.2, d.5, l.11: From a project for economic organisation by the Acting Director of the Department of Social Economy under the NarkomTiP Ia.D. Repson sent to NarkomTiP chief V.M. Smirnov, 8th January 1918: "In order to develop our co-operatives and monopolisation of the economy in contrast to the capitalist system, it is necessary to concentrate all work in the co-operatives, unions of co-operatives and workers' *arteli*".
[43] See pp.50-52, 98-105 of this thesis.

reputation in the eyes of foreign enterprises.[44] Even when relations between their governments and the Soviet state were at their most strained, western partners remained interested in dealing with the Russian co-operatives. English ships were bringing food, cloth, soap and consumer goods to Arkhangelsk for Tsentrosoiuz as late as mid-July 1918, when the British government was already planning intervention against the Soviet state.[45] This made the Russian co-operatives a desirable tool for the Bolshevik leadership. Where possible, the Kremlin tried to connect them with foreign co-operatives, bypassing private western capital altogether.[46] In March 1920 Soviet diplomat Maxim Litvinov negotiated an agreement between Tsentrosoiuz and the National League of Italian Co-operatives whereby all commercial exchange between Russia and Italy would hitherto be conducted through co-operatives "for the maximum benefit of the working classes of both countries".[47]

Overall, however, Soviet efforts to enlist the co-operative movement for overseas trade did not meet with success. In November 1918 Vesenkha sent a Tsentrosoiuz delegation to Europe and the USA to procure a range of goods the Soviet government urgently required, from lorries to tea and sugar, and to set up a network of new branches.[48] However, as the civil war intensified, the delegation, headed by Socialist Revolutionary Alexander Berkenheim, came out in favour of the Whites.[49] It mobilised the whole overseas Tsentrosoiuz infrastructure, which now

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[44] G.A. Solomon, *Sredi Krasnykh Vozhdei: Lichno Perezhitoe i Videnoe na Sovetskoe Sluzhbe,* vol.1 (Paris, 1930), p.252; Shishkin, *Sovetskoe Gosudarstvo,* p.157.
[45] RGAE, f.413, op.2, d.42, l.20: Telegram from Arkhangelsk to Genmor Glavnach Somov, N.D.: "The English are unloading food loads from the ship 'Ekba', giving the goods to the union of co-operatives for supplying the population. We need a return load - until we have it their salt, cloth, soap, and instruments cannot be unloaded as heavy ballast".
[46] A.S. Smol'nikov (ed.), *Andrei Lezhava: Vospominaniia, Vistupleniia, Pis'ma* (Moscow, 1990), p.57. Foreign trade Deputy Commissar from mid-1920, Lezhava declared that in seeking commercial exchange with the west, the Soviet republic should orientate itself towards the foreign proletariat, through Trade Unions and co-operatives.
[47] RGAE, f.413, op.2, d.443, l.123: Contract between Maxim Litivinov as representative of Tsentrosoiuz and Angelo Carbini, of the National League of Italian Co-operatives, 29th March 1920.
[48] Shishkin, *Sovetskoe Gosudarstvo,* pp.73-74.
[49] The Socialist Revolutionaries (or SRs) was an opposing political party to the Bolsheviks. Its ideology was largely influenced by the *narodnik* movement. Following the October revolution, part of the SRs (the Left SRs) had joined the Bolsheviks in a coalition government, but resigned in protest at the signing of the Brest-Litovsk Treaty with Germany.

consisted of twelve branches with a headquarters in London, to supply anti-Bolshevik regimes instead.[50] The existence of this hostile rival structure was a thorn in the side of the Bolsheviks right up to the end of the civil war, as leader of a Soviet delegation to London Leonid Krasin reported to Moscow in September 1920:

> With few exceptions Russian co-operative agents abroad... continue to occupy a 'civil war' position and, to the joy of Vrangel' and Poland, are presently waiting for a desperate fight with the Moscow Tsentrosoiuz Board and Soviet Russia in general.[51] They refuse to report on their operations, to give us technical apparati and property, to fulfil their contracts with the soviet government for which they have been paid. They seize raw materials leaving Russia, lead a campaign against Soviet Russia in the press and business circles... They refuse even to give up their empty buildings.[52]

NarkomTiP deputy Georgii Solomon recruited the other national co-operative union, Tsentrosektsiia, to conduct a purchasing operation abroad in 1919. Solomon had signed the contract with the union, granted it ten million roubles advance payment, issued all the delegates with the necessary authorisations and passports, and notified the Finnish border control that the group would be passing through. However, at the last minute the mission was cancelled as the Cheka arrested its heads for large-scale embezzlement. [53]

With the co-operative movement proving somewhat wilful, the Soviet government was forced to rely largely on private traders to travel abroad to procure foreign goods.[54] However, these were difficult to organise on a sizeable scale due to the war zones along Russia's western

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[50] Shishkin, *Sovetskoe Gosudarstvo,* p.157.
[51] "Vrangel' and Poland": This refers to the Bolsheviks' two main antagonists in the civil war in 1920; Baron Petr Vrangel', the last head of the White movement, and the Polish regime under Jozef Pilsudsky, which was at war with Soviet Russia for much of the year.
[52] RGAE, f.413, op.2, d.447, l.18: From a telegram from Krasin to the Tsentrosoiuz board in Moscow, 13th September 1920.
[53] Solomon, *Sredi Krasnykh Vozhdei,* vol.1, pp.255-256.
[54] RGAE, f.413, op.2, d.44a, l.1: From 'Report on the Activities of the *NKTiP*' for 1917-1918: "the government had the chance to use (for the needs of the country) the commission work of a huge fond of the middle-men traders, who had controlled the foreign trade of pre-revolutionary Russia".

border, as newly independent nations fought the Soviet republic for territory, and to the Allied blockade on Soviet ports. Instead, the Bolsheviks were forced to recruit individual smugglers to navigate the western fronts and buy up goods in Poland and the Baltic states. The fullest account of this phenomenon is given by Solomon in his memoirs.[55] According to Solomon, it all began after a Russian former supplier for German electrical firm Siemens-Shuckert came to the NarkomTiP offering to use his German credit, network of smugglers and business contacts to procure goods for the Soviet government in return for commission.[56] Following the success of this venture Solomon's office started to receive a steady stream of individuals willing to venture across the front and smuggle goods.[57] Solomon used this opportunity to procure life-saving materials like medicine, medical equipment and saws and axes to cut wood for fuel.[58] A system emerged, with candidates first having to obtain recommendations from the Cheka and the Commissariat for Foreign Affairs (*Narkomat Innostrannykh Del',* henceforth Narkomindel), then entering into a contract with the NarkomTiP granting them a standard rate of fifteen percent commission.[59] They would be then left to use their contacts with the smuggling networks to navigate the front lines and find their way into enemy territory. Next they would use their ties abroad to do the deals and bribe customs and police there to get the goods back.[60] The practice quickly spread, as various Soviet organs, in particular the Cheka, wanted to procure overseas goods and would load up their candidates with money, diamonds and precious

[55] Solomon, *Sredi Krasnykh Vozhdei,* vol.1, pp.247-252. See also S.I. Liberman, *Building Lenin's Russia* (Chicago, 1945), pp.63-64. Whereas Solomon takes credit for the initiative himself, Liberman attributes the policy to Krasin, the official head of NarkomTiP. However, Solomon argues that Krasin was so bogged down in his myriad of other posts and responsibilities (see pp.146-147 of this thesis) that he left his Deputy as 'de-facto' Narkom (Solomon, p.192).
[56] Solomon, *Sredi Krasnykh Vozhdei,* vol.1, pp.246-248.
[57] Solomon, *Sredi Krasnykh Vozhdei,* vol.1, p.248.
[58] Solomon, *Sredi Krasnykh Vozhdei,* vol.1, pp.246-248.
[59] Solomon, *Sredi Krasnykh Vozhdei,* vol.1, pp.248-250. See also 'O Deiatel'nosti Narodnogo Komissariata Torgovli i Promishlennosti' (On the Activities of the NarkomTiP), from a report given by the NarkomTiP at the Seventh Congress of Soviets, 5-9th December 1919, *Vestnik Narodnogo Komissariata Torgovli i Promyshlennosti*, Nos. 17-24, September-December 1919, pp.25-30. The report states that in April 1919 the NarkomTiP concluded three contracts with contrabandists for 6.6 million roubles worth of optical and surgical instruments and equipment for treating the sick.
[60] Solomon, *Sredi Krasnykh Vozhdei,* vol.1, p.250.

metals.[61] The activity rapidly expanded from several tens of pounds of goods per trader to whole wagonloads.[62] To cope with the growing demand, NarkomTiP established its own special apparatus for the contraband, with offices on the various fronts, reporting back to a central mission in Moscow.[63] One official jokingly referred to Solomon as the "minister for contraband".[64]

Smugglers and Bagmen: Utilising Enemy Forces

The story of the Bolsheviks' approach to the smuggler was closely interwoven with their bagging ordeal at home.[65] As with bagging, although leaders came to utilise smuggling, in principle they deemed it a highly undesirable phenomenon which undermined efforts to establish organised and co-ordinated trading systems.[66] Seeking the maximal mobilisation of resources to halt the crisis, they did not want to see goods being taken out of the country and squandered privately. A NarkomTiP report on its 1917-1918 activities describes the attitude at the time:

> Already in the first months of the Soviet government's existence it became clear that it would be necessary to regulate trade with abroad, not allowing the possibility of exporting from Russia the scant available resources without getting in return an equivalent in terms of products and equipment, necessary for the proper functioning of Russian industry.[67]

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[61] Solomon, *Sredi Krasnykh Vozhdei,* vol.1, p.249; Liberman, *Building Lenin's Russia,* p.63.
[62] Solomon, *Sredi Krasnykh Vozhdei,* vol.1, pp.250-251.
[63] Solomon, *Sredi Krasnykh Vozhdei,* vol.1, p.269; Liberman, *Building Lenin's Russia,* pp.63-64.
[64] Solomon, *Sredi Krasnykh Vozhdei*, vol.1, p.248. It was Krasin who came up with this nickname. However in Liberman's version of events (*Building Lenin's Russia*, pp.63-64) it is Liberman who makes this joke about Krasin.
[65] See pp.76-77, 107-110 of this thesis.
[66] See 'Ob"iasnitel'naia Zapiska Narodnogo Komissariata Vneshnei Torgovli k Proektu Postanovleniia Soveta Truda i Oborony o Reorgaznizatsii Okhrany Granits RSFSR' (Explanatory Note of the People's Commissariat for Foreign Trade on the Draft Decree of the Council of Labour and Defence on the Reorganisation of Border Control), E.D. Solov'ev and A.I. Chugunov (eds.), *Sbornik Dokumentov i Materialov: Pogranichnye Voiska SSSR, 1918-1928* (Moscow, 1973), p.84.
[67] RGAE, f.413, op.2, d.44a, l.1: From 'Report on the Activities...'.

Yet the Soviet government was unable to establish an effective border control. Aside from the fact that many of its frontiers were unfixed and shifting war zones, even peaceful borders could not be adequately manned due to lack of personnel.[68] So many Petrograd smugglers were able to navigate the new border between Russia and Finland that entire Finnish villages made their living from growing and producing goods to sell to them.[69] Although Soviet leaders soon came to accept the vital role of smuggling in procuring much-needed supplies for impoverished cities, they considered co-operating with these individuals a highly undesirable compromise on their principles. They expressed the same moral disdain for their trading agents involved in smuggling that they did for the bagmen and speculators serving the domestic economy. Andrei Lezhava, the Deputy Head of the Foreign Trade Commissariat, recalled this period in a later speech. He referred to having to rely on "a whole army of speculators", among whom were "hardened crooks".[70] A report from the Secretary of NarkomTiP's Collegium in 1918 complained: "Their aim in coming to us is to snatch and grab as much as they can", and accused them of serving "the god of quick bucks and enrichment".[71]

The distaste with which NarkomTiP leaders regarded the smuggling is reflected in their coy treatment of the subject in their reports. In an official overview of the organ's activities for 1917-1918, there was only one mention of contraband trading and it was subsequently crossed out.[72] The NarkomTiP did admit to being involved in contraband in a

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[68] Solov'ev and Chugunov (eds.), *Sbornik dokumentov*, pp.8-9; A.I. Chugunov, *Bor'ba na Granitse, 1917-1928: Iz Istorii Pogranichnykh Voisk SSSR* (Moscow, 1980), pp.21-22; N. Baron, *Soviet Karelia: Politics, Planning and Terror in Stalin's Russia, 1920-1939* (London, 2007), p.25.

[69] M. Lähteenmäki, 'Cows, Guns and Bolsheviks: Smuggling in the Border-land between South-East Finland and St. Petersburg'. In K. Katajala and M. Lähteenmäki (eds.) *Imagined, Negotiated, Remembered: Constructing European Borders and Borderlands* (Münster, 2012), pp.123, 128. On Soviet attempts to establish border control between Russia and Finland following the granting of independence to the latter on 6th December 1917, see Baron, *Soviet Karelia,* p.25. On smuggling as a mass phenomenon see also M.E. Harrison, *Marooned in Moscow: The Story of an American Woman Imprisoned in Russia* (New York, 1921), pp.29-30; Smith, *Russia in Revolution*, p.221.

[70] Smol'nikov, *Lezhava*, pp.58-59.

[71] RGAE, f.413, op.2, d.23, ll.3-5: From a report 'Reorganisation of KTiP', by the Secretary of NKTiP Kollegiia, N.D. "the god of quick bucks and enrichment" is translated from "*bog nazhivi i obogashcheniia*".

[72] RGAE f.413, op.2, d.44a, l.3: From 'Report on the Activities...'. This was the following sentence: "The international situation does not allow us to trade with Entente, sometimes we have had to resort to contraband import of goods".

report delivered at the Seventh Congress of Soviets in December 1919, but sought to distance those present from the grizzly particulars with the phrase "Without going into the details of this business", before moving on to discuss its positive outcomes.[73]

Besides a purely moral distaste for smuggling, many Bolsheviks feared it as a threat to the future socialist order. As with bagmen and speculators at home, they attributed to the smugglers a dangerous mentality based on individualism and greed, the existence of which was incompatible with socialism. One NarkomTiP report referred to the inherent contradiction between the underlying interests of the Soviet government and those of any private foreign trade activity, while the Collegium secretary, in stating that dealers served their own god, juxtaposed this with serving the NarkomTiP.[74] Lezhava underlined the ideological danger of using speculators to trade with the west:

> These people can be used by us only very tentatively, as we risk getting instead of a weapon for fighting our enemy, a traitor's sword, aimed at ourselves.[75]

However Solomon had quite a different view. He was a Bolshevik, yet he had disagreed with the October revolution and the idea that socialism was achievable in Russia in the near future. Therefore he saw little harm in encouraging petty trading activity, indeed he even privately desired a return to a capitalist order.[76] Though he shared his comrades' disdain for contraband trade in principle, he also expressed admiration for the smugglers' moral qualities:

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[73] 'O Deiatel'nosti Narodnogo Komissariata Torgovli...'.
[74] For the comment in the report see RGAE f.413, op.2, d.44a, l.1: From 'Report on the Activities...'. The full sentence reads as follows: "Soon the insufficiency of this measure [pre-nationalised foreign trade] became apparent. It allowed trade to remain in hands of private capital, running its activity in its own interests, which is in opposition to the interests of soviet government". For the collegium secretary's comment see RGAE, f.413, op.2, d.23, l.4: "[N]KTIP needs tradesmen, people with their own god, the god of quick bucks and enrichment, and, serving us, they continue to serve their old god, and we can't expect them to change any time soon".
[75] Smol'nikov, *Lezhava*, p.58.
[76] See p.149 of this thesis for more discussion of this perspective.

> ...obviously, *à la guerre, comme à la guerre*, I could not demand these brave adventurers *par excellence* work in kid gloves.[77] In fact, having got to know the smugglers and their ways pretty closely, I soon became convinced that they had their own special ethics and traditions, among which were not a few knightly qualities.... In any case, these people bravely and even selflessly (I remind you that some paid with their lives) performed a service that was highly beneficial in those desperate times.[78]

Overall, the centre's approach to smugglers had important similarities to its approach to bagmen. Indeed, although the Kremlin conceptualised them as two different phenomena, the distinction was in reality somewhat blurred. The term 'bagmen' (*meshochniki*) was used mainly just by central government organs. It was coined by a senior supply official, intending it as a pejorative analogy with the original bagmen of the nineteenth century, travelling salesmen of illicit books including pornography.[79] The bagmen themselves did not identify with this term, and local populations often just referred to them as smugglers, or contrabandists.[80] In the context of the civil war the distinction between smuggling goods in and out of the 'country', and bagging within it was far from clear-cut, with Russia itself occupied by several rival regimes.[81] Inhabitants of Soviet Astrakhan and Tsaritsyn conducted a lively trade across the front with the anti-Bolshevik Don and Kuban regions.[82] Even within Soviet territory bagging could resemble international smuggling as provinces declared themselves independent republics and set up their

[77] The French expressions appear in the original Russian text, the former roughly translates as 'in times of war, we have to make do': *Linguee: Dictionnaire Anglais-Français*: https://www.linguee.fr/francais-anglais/traduction/a+la+guerre+comme+a.html [accessed 20.06.2019].
[78] Solomon, *Sredi Krasnykh Vozhdei,* vol.1, p.269.
[79] A.Iu. Davydov, *Meshochniki: Nelegal'noe Snabzhenie Rossiiskogo Naseleniia i Vlast', 1917-1921 gg.* (Saint-Petersburg, 2002), p.10.
[80] Davydov, *Meshochniki,* p.10. Contrabandist, or 'kontrabandist' is the Russian term for smuggler: Cambridge English-Russian Dictionary: https://dictionary.cambridge.org/dictionary/english-russian/smuggle?q=smuggler [accessed 10.01.2019].
[81] Baron, *Soviet Karelia,* p.25.
[82] J. Hessler, *A Social History of Soviet Trade* (Princeton, 2004), p.35.

own border controls to regulate trade.[83] An additional complication arose from the fact that even traders who brought goods in from Poland often behaved identically to the rest of the bagmen once back in Russia, making their ways to the cities to sell their wares on the Sukharevka.[84]

Foreign Trade as a Temporary Phenomenon

Despite the misgivings of many party members, the Soviet government had established a stance that it was, under conditions of strict regulation by the centre, justifiable for a socialist republic not only to have peace with capitalist nations, but also to trade with them. However, the leadership continued to see this throughout the civil war period as a strictly short-term policy that would soon become redundant as the revolution spread and socialist governments were installed in the west.[85] They saw the very existence of the NarkomTiP as a temporary compromise measure. A report by its own secretary Sergei Gorchakov said the organ would be taken over by the more socialist orientated Vesenkha "when the attack on the bourgeoisie continues".[86] Just as Lenin continued to express faith in Russian workers despite their failure to immediately organise the economy, he also remained optimistic that despite initial setbacks the international proletariat would soon rise up and overthrow their governments:

> Capitalism still rules the roost in the West. But now the day of great upheavals is dawning there too. Today the West-European workers,

[83] On such border controls see A.B. Retish, *Russia's Peasants in Revolution and Civil War: Citizenship, Identity, and the Creation of the Soviet State, 1914-1922* (Cambridge, 2008), pp.169-170.
[84] Solomon, *Sredi Krasnykh Vozhdei,* vol.1, p.247.
[85] On the duality of Soviet foreign policy: Carr, *The Bolshevik Revolution,* vol.3, p.20; A. Heywood, *Modernising Lenin's Russia. Economic Reconstruction, Foreign Trade and the Railways* (Cambridge, 1999), p.65; A. Kocho-Williams, *Russia's International Relations in the Twentieth Century* (London, 2013), p.42.
[86] RGAE, f.413 op.2, d.23, ll.16-17: From 'Report on Merging the Activities of VSNKh and KTiP", N.D.

> too, are approaching the difficult period of transition from capitalism to socialism.[87]

Trotsky attributed the delay to the hold the bourgeoisie exerted over the masses in western Europe, using their powerful bureaucracies and huge cultural influence. This made it harder for the conscious proletariat to win over the rest of the people, but he believed that, through intensifying the struggle, revolution would come soon.[88] Leaders were particularly optimistic in late October - early November 1918 with the start of the German revolution and the collapse of the Austro-Hungarian empire. At this time Lenin predicted that the world war could only end in global revolution:

> ...the world war will end neither by agreements nor by coercion on the part of the old government and the old ruling bourgeois class...this war is leading the whole world as well as Russia to a world proletarian revolution and to the workers' triumph over capital.[89]

When this failed to transpire, Lenin remained positive, as a speech from the following spring shows.[90] He treated what he saw as the deterioration of the German revolution into the 'bourgeois' Weimar coalition as a mere setback.[91] He presented the experience as an important initiation for the formerly untried German proletariat, comparing it to Russia's 1905 revolution, which he argued had been an invaluable rehearsal for 1917. As for the ability of the Entente's rulers to remain in power after the war, Lenin argued that they had temporarily won over the support of the less conscious citizens through assurances of a better life.[92] He claimed that the French government had promised the masses "piles of gold",

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[87] Lenin, 'Speech at a Ceremonial Meeting of the All-Russia Central and Moscow Trade Union Councils', 3rd November 1918, *Collected Works,* vol.28 (Moscow, 1965), p.132. Also see Meyer, *Leninism,* p.227.
[88] 'Rech' Trotskogo' (Trotsky's speech), *Tretii Vserossiiskii S"ezd Sovetov Rabochikh, Soldatskikh i Krest'ianskikh Deputatov* (Petrograd, 1918), pp.16-18.
[89] Lenin, 'Speech on the Anniversary of the Revolution', 6th November 1918, *Collected Works,* vol.28, p.137.
[90] Lenin, 'Report on the Foreign and Home Policy of the Council of People's Commissars' 12th March 1919, *Collected Works,* vol.29 (Moscow, 1965), pp.19-25.
[91] Lenin, 'Report on the Foreign and Home Policy', p.19.
[92] Lenin, 'Report on the Foreign and Home Policy', p.22.

expecting to extract these from Germany and Russia as part of the peace negotiations. However, this would result in failure as Germany had nothing to pay with and the Soviet government would refuse, and the French people would soon be rising up against their government.

However, as the months continued to pass by without event, the Bolsheviks' optimism for the European revolution started to fade.

Part Two: "We have to learn from the capitalist west ... learn how to beat the enemy with his own weapon"[93]: New Approaches to Foreign Economic Policy in 1920

> When, three years ago, we raised the question of the tasks and the conditions of the proletarian revolution's victory in Russia, we always stated emphatically that victory could not be permanent unless it was followed up by a proletarian revolution in the West...After three years of desperate and stubborn struggle, we can see in what respect our predictions have or have not materialised. They have not materialised in the sense that there has been no rapid or simple solution of the problem.[94]

Thus had Lenin's mood sobered somewhat by the end of 1920.[95] However, he went on to note that, although the "only sure victory", the European revolution, had not yet been achieved, the international situation was far from hopeless. Soviet Russia had withstood foreign military intervention and compelled the imperialists to recognise it as a force to be reckoned with.[96] As the republic had slowly emerged as the clear victor of the civil war, the interventionists had begun to lose interest in supporting rival regimes and started to consider peace with

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[93] The quote is taken from L.B. Krasin, *Voprosi Vneshnei Torgovli*, 2nd ed. (Moscow, 1970), p.103.
[94] Lenin, 'Our Foreign and Domestic Position and the Tasks of the Party', 21st November 1920, *Collected Works,* vol.31 (Moscow, 1966), pp.410-411.
[95] Meyer also traces Lenin's change of heart to around this time (*Leninism,* p.228).
[96] Lenin, 'Our Foreign and Domestic Position', p.412. On the shift in international relations see: Carr, *The Bolshevik Revolution,* vol.3, pp.150-163. For a Soviet perspective see Shishkin, *V.I. Lenin*, pp.175-177; Shishkin, *Sovetskoe Gosudarstvo*, ch.3. For a pro-western approach see G.F. Kennan, *Russia and the West under Lenin and Stalin* (London, 1961), p.173; R.H. Ullman, *Anglo-Soviet Relations, 1917-1921. Vol. 3. The Anglo-Soviet Accord* (Princeton, 1972), ch.1.

the Bolsheviks, and along with it, economic relations. In January the Entente ended the blockade on Soviet ports, and expressed a willingness to trade through independent Russian co-operatives. To this end the Entente Supreme Council in London invited representatives of the Tsentrosoiuz in Moscow to enter into negotiations. Meanwhile Estonia, previously at war with Soviet Russia, signed a peace treaty at the beginning of February, allowing for official commercial relations between the two countries. This gave the NarkomTiP much greater access to goods from all over Europe than its smuggling activities had allowed. Lenin reciprocated the west's interest in commercial relations:

> The entry of the socialist country into trade relations with capitalist countries is a most important factor ensuring our existence....[97]

For Lenin, the potential for western involvement in the Soviet economy was changing dramatically. It was no longer an issue of fulfilling immediate needs, like procuring military assistance or primary necessities for the population. The Soviet government was embarking on a drive to forge a modern infrastructure from the ashes of Russia's economy on its own steam.[98] To achieve this as quickly as the party leadership desired, they needed foreign technology and expertise:

> Our aim now is to obtain a trade agreement with Britain so as to start more regular trade and be able to buy as soon as possible the machinery necessary for our extensive plan to rehabilitate the national economy.[99]

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[97] Lenin, 'Our Foreign and Domestic Position', p.414.
[98] See pp.118-119 of this thesis.
[99] Lenin, 'Report on Concessions delivered to the RSP(b) group at the Eighth Congress of Soviets', 21st December 1920, *Collected Works,* vol.31, pp.471-472. On this new approach to foreign economic relations, see also M.J. Carley, *Silent Conflict: A Hidden History of Early Soviet-Western Relations* (Lanham and Plymouth, 2014), p.24. Lenin emphasised trade with Britain because the Soviet and British governments had been in negotiations for a trade agreement since summer 1920, which would eventually be signed on the 16th March 1921. The Bolsheviks sought Britain out partly because they found it the most amenable of the Entente nations to collaboration (Carr, *The Bolshevik Revolution,* vol.3, pp.148-150; Kennan, *Russia and the West,* p.172; Ullman, *Anglo-Soviet Relations,* pp.3-13, 110), partly because they saw it as the leader of world imperialism, whose actions would influence all the other capitalist powers (Kennan, *Russia and the West,* p.226; Lenin, 'Otchet o Politicheskoi Deiatel'nosti TsK RKP(b)' ('Report on the Political Activities of the CC (Central Committee) of the RKP(b)'), 8th March 1921; *Polnoe Sobranie Sochinenii,* 5th ed., vol.43 (Moscow, 1970), pp.20-21 (this

If assistance was not to come from the west on a socialist basis, as per their original vision, then it would have to be in capitalist form.

Krasin - "the gentleman of the soviets"[100]

It was in this context that Leonid Krasin came to enjoy prominence in the party leadership. He had long been an advocate both of a planned economy and of extensive co-operation with the west.[101] Krasin was an individual with an unusual pre-revolutionary background, at one time a leading figure of Bolshevism, he had also enjoyed a successful career as an electrical engineer for Siemens-Shuckert. As the party found itself constantly confronted by seemingly irresolvable economic issues, Lenin considered Krasin's commercial and technical knowledge irreplaceable, as Solomon later recalled:

> Lenin was in raptures with Krasin's work, in areas closed off to him [Lenin] through his ignorance.... he had in Krasin a practical specialist in all economic, administrative and political questions.[102]

Lenin increasingly sought to involve Krasin in policy formulation and administration.[103] From March 1919 Krasin found himself leading two narkomaty simultaneously, NarkomTiP and the transport commissariat.[104] In addition to this he was on the presidiums of both the Vesenkha and the Council of Labour and Defence, a body for mobilising resources for

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report appears to be missing from the translated *Collected Works*)), and also as a lucrative export market for Russian raw materials like timber and grain (Kennan, *Russia and the West,* p.225; O'Connor, *The Engineer of Revolution,* p.207).

[100] This epithet comes from Liberman, *Building Lenin's Russia,* p.58.

[101] O'Connor, *The Engineer of Revolution,* pp.143, 158.

[102] GARF f.R-5881, op.2, d.658. l.99. This is from a book manuscript Solomon was working on in Brussels in 1934: *Leonid Borisovich Krasin: Po Lichnym Vospominaniiam Avtora i s Opytom Kharakteristiki* (Leonid Borisovich Krasin: From the Personal Recollections of the Author and with an Exposition of his Characteristics), a deeply bitter portrait of his former friend. A note left in the file by his wife explains that on writing the final words, Solomon fell and suffered a fatal heart attack (l.140).

[103] Liberman, *Building Lenin's Russia,* pp.59-60; O'Connor, *The Engineer of Revolution,* p.128; Carley, *Silent Conflict,* p.36. Lenin also saw Krasin as an important vehicle for mobilising non-party specialists to the Soviet cause. Krasin had important business contacts throughout Russia and Lenin believed that, being a specialist himself, Krasin was much more likely to convince them to join than other comrades were. Liberman, *Building Lenin's Russia,* pp.60-61; GARF f.R-5881, op.2, d.658. l.102: from *Leonid Borisovich Krasin*.

[104] O'Connor, *The Engineer of Revolution,* pp.132, 146; Liberman, *Building Lenin's Russia,* p.59.

the war on an urgent basis. He also headed an organ called Chrezkomsnab, organising supplies to the Red Army.[105] Krasin emerged from the civil war as the main authority on economic matters and one of the most prominent soviet leaders after Lenin.[106] With peace and economic contact with the west becoming a serious prospect, he now became the face Soviet Russia showed to the imperialists. Lenin considered Krasin the ideal choice to lead diplomatic and trade negotiations, believing that his familiarity with western commercial and cultural norms would instil respect in the capitalists towards Soviet Russia as a serious enterprise they could do business with. According to Semen Liberman, a timber export specialist who worked closely with both men, Lenin was rather eager to show Krasin off to the rest of the world:

> Lenin was impressed with the fact that the capitalist world had paid Krassin (sic) a large income for his talents and that it was "quite something" for the Soviets to be able to appear with Krassin in the bourgeois world. "See", Lenin would boast to his intimates, "for the outside world Krassin will be one more proof that we are not exactly a bunch of visionaries, bookworms and sans-culottes.[107]

Krasin's westernised manners and appearance were fundamental to this propaganda. British writer Arthur Ransome, who met him while working as Moscow correspondent for the *Manchester Guardian,* described him as "very much a European".[108] Liberman contrasted Krasin's dress sense with that of his comrades:

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[105] O'Connor, *The Engineer of Revolution,* p.146.
[106] GARF, f.R-5881, op.2, d.658. l.100: from *Leonid Borisovich Krasin*: "he [Lenin] slowly made him [Krasin] the 2nd face of the USSR". See also Liberman, *Building Lenin's Russia,* p.60; O'Connor, *The Engineer of Revolution,* p.126. Krasin's prominent role was also widely known in the west: RGASPI, f.137, op.1, d.42.This is a collection of obituaries about Krasin cut out from British newspapers following his death on 24th November 1926. Several refer to him as "the economic dictator" (l.2); with one stating "in some circles Krasin was considered Lenin's heir" (l.8). Also see L. Bryant, *Mirrors of Moscow* (New York, 1923), pp.204-205: "Krassin...is now pretty generally conceded the strongest man next to Lenin". Though this was written slightly later, between 1921-1923.
[107] Liberman, *Building Lenin's Russia,* p.60.
[108] A. Ransome, *Six weeks in Russia in 1919*, (London, 1919), p.101. See also Bryant, *Mirrors of Moscow*, pp.203-204: "Krassin is obviously a gentleman and official England can never quite ignore a gentleman. Krassin is as polished and as coldly polite and as well-dressed as if he was in the House of Lords".

> Perfect taste always distinguished his attire. His necktie matched his suit and shirt in color, and even his stickpin was stuck with the special jauntiness of the well-dressed man. No matter how bitter the weather, he avoided wearing felt boots. Nor did he favor the sheepskin coats which his colleagues found indispensable in the unheated Soviet offices during the winters of the civil war.[109]

Thus in Krasin the Bolsheviks seemed to have a great asset for the practicalities involved in restoring Russia's economy. However, in matters of ideology he held views diametrically opposed to those of most of his comrades, including Lenin. Krasin had left the party in 1909 and focussed his attention on his career, soon becoming Siemens' chief engineer in Russia.[110] As with most Russian Marxists at the time, he believed his homeland's economy would have to undergo decades of capitalist development before it became advanced enough for a socialist revolution. Like his close friend Solomon, he was not convinced by Lenin's call for an immediate revolution in 1917 and, as Liberman recalled, came out strongly against this position:

> At that time he spoke with emphatic disapproval of the political stand taken by Lenin and his group... During the few months of the Kerensky government, Krassin regarded Lenin's idea as "the delirium of a utopian" and predicted a terrible catastrophe for the Bolsheviks.[111]

The events of November only strengthened his misgivings. Solomon came across a rather horrified Krasin in Moscow a few weeks after the October revolution:

> It's a stake on immediate socialism, a utopia, a stupidity of Herculean proportions! Just think, Lenin and all of them have gone

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[109] Liberman, *Building Lenin's Russia,* p.59. This propaganda campaign met with some success. Many of the obituaries of Krasin from British newspapers archived in RGASPI, f.137, op.1, d.42 comment on his excellent manners with one describing him as a "surprisingly attractive personality" (l.7).
[110] Liberman, *Building Lenin's Russia,* pp.59, 60.
[111] Liberman, *Building Lenin's Russia,* p.59. Also see O'Connor, *The Engineer of Revolution,* p.122. Krasin's initial negativity towards the revolution was well-known in the west in the following years. Ransome referred to it in *Six Weeks* (p.101), and several of the obituaries comment on it in RGASPI f.137, op.1, d.42.

> mad! They've forgotten everything the Social Democrats once believed in, they've forgotten the laws of natural evolution, they've forgotten our stance against creating a socialist experiment in contemporary conditions, our warnings about the danger this exposes the people to, everything, everything forgotten![112]

Despite agreeing to work for the Soviet government at the end of the year, and rejoining the party in 1918, Krasin remained sceptical about the prospect of building socialism. [113] However he did believe in building a technologically advanced Russia, a dream he had long cherished and which the overthrow of tsardom had seemed to bring a step closer.[114] In joining the Soviet service he sought to play a leading role in this process. According to confidants, including his wife and his close friend Solomon, he also had a hidden agenda of neutralising the Bolsheviks' revolutionary politics through promoting moderation.[115] Solomon claimed that following October both Krasin and himself hoped that coexistence with the west would bring capitalism back to Russia:

> We began to hope that the Bolsheviks... would be forced to abandon many of their utopian experiments, and that placing them in normal relations with the west, with its politics, its economic life, its trade, would force the soviet government down its [the west's] path, and the immediate drive towards instant communism would naturally fade away.[116]

The fundamental contradictions in outlook between Krasin and most of his party comrades regarding Russia's future became increasingly apparent as the Soviet government embarked on its programme of economic recovery.

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[112] Solomon, *Sredi Krasnykh Vozhdei,* vol.1, p.13.
[113] Iu.G. Fel'shtinskii, G.I. Cherniavskii and F. Markiz (eds.), *L.B. Krasin. Pis'ma Zhene i Detiam. 1917-1926 (L.B. Krasin. Letters to his Wife and Children)* (2003): http://lib.ru/HISTORY/FELSHTINSKY/Krasin.Pisma.txt [accessed 10.01.2019], pp.10-11, 13.
[114] O'Connor, *The Engineer of Revolution,* pp.125, 137-141; 175; Liberman, *Building Lenin's Russia* pp.59-60.
[115] Solomon, *Sredi Krasnykh Vozhdei*, vol.1, p.41.
[116] Solomon, *Sredi Krasnykh Vozhdei,* vol.1, pp.41-42.

Krasin and Foreign Trade

Krasin had been the official head of the NarkomTiP since November 1918.[117] Busy with his myriad of other jobs and positions, Krasin had initially left the daily running of the commissariat to his Deputy, Solomon. However, as the international situation stabilised, Krasin took over. He set about reorganising the NarkomTiP into a specialised apparatus to organise the import of all the latest western machinery and technology, renaming it the Narkomat for Foreign Trade (*Narkomat Vneshnei Torgovli*, henceforth Vneshtorg) in June.[118] Furthering the trend already evident in domestic economic organs, Krasin sought to create a professional bureaucracy playing a much more hands-on role than its predecessor had done.[119] Whereas the NarkomTiP had been a largely regulatory body for supervising co-operatives and private business, Vneshtorg strove to be the exclusive agent of foreign trade, as can be seen in a decree proposal it put to Sovnarkom:

> The running of the nationalised foreign trade and goods exchange of the RSFSR is the exclusive remit of the Narkomat for Foreign Trade, which as the only body in the republic authorised to do so, has the exclusive right to conduct all trade relations with foreign governments, societies and private firms and organisations, trade and industrial enterprises and individuals, in the same way [it has the exclusive right] to realise through its own organs all operations related to the import and export of goods.[120]

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[117] His appointment to this post indicates that the Sovnarkom was attaching increasing importance to the economic role of foreign trade even at this early stage. For almost a year prior to this the narkomat had been run by Vladimir Smirnov and Mechislav Bronskii, two Left Communists who had reacted with outrage to the very prospect of doing deals with imperialist Britain and France back in February, and along with Bukharin had signed the note of protest that any economic relations would undo the revolution: *Minutes of the Central Committee,* p.217; *Spravochnik po Istorii Kommunisticheskoi Partii i Sovetskogo Soiuza 1898-1991*: http://www.knowbysight.info/1_rsfsr/14270.asp [accessed 10.01.2019].

[118] RGAE, f.413, op.2, d.44a, l.5: From 'Report on the Activities...'; O'Connor, *The Engineer of Revolution,* p.159. NKTiP had no other real duties anyway, with the regulation of domestic trade and industry split between Narkomprod and Vesenkha (see p.97, footnote 122 of this thesis).

[119] On this trend in domestic economic organs see pp.113, 118-120, 122 of this thesis.

[120] 'Dekret SNK o Pereimenovanii Narodnogo Komissariata Torgovli i Promyshlennosti v Narodnyi Komissariat Vneshnei Torgovli i Ustanovlenii Obshchikh Osnov Vneshnei Torgovli i Tovaroobmena RSFSR' (Decree of SNK on the Renaming of the People's Commissariat

Other Soviet organs, together with the Russian co-operatives and private traders, were now only allowed to access the foreign market to conduct one-off deals which Vneshtorg declined to conduct itself.[121] To fulfil these ambitions, a colossal international apparatus was required. Krasin set up Vneshtorg branches in each region of the republic to receive import requests and procure goods for export, answering to an HQ in Moscow.[122] He also aimed to establish branches in foreign countries to conduct the transactions.[123]

Thus Krasin took the concept of monopoly to new levels. This was not just a state monopoly, but a monopoly of one state organ. It is unlikely he had bought into the rhetoric about imperialists colonising Russia, Lenin's initial justification for nationalising foreign trade. Rather Krasin considered that through concentrating all activity in one institution he could create a highly rational system of goods exchange, finely calibrated to the economic needs of the republic.[124] The creation of such a system would also present a businesslike and respectable face to the

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for Trade and Industry as the People's Commissariat for Foreign Trade and the Establishment of the General Principle of the Foreign Trade and Goods Exchange of the RSFSR), *Dekrety Sovetskoi Vlasti,* vol.9 (Moscow, 1978), p.39. On the 8th June 1920 the Sovnarkom passed this draft decree into law (p.40).

[121] For which they required special dispensation on each occasion. The decree continues: "Not a single organ, institution or organisation of the RSFSR and no enterprises or private individuals have the right to engage in any pursuit, conduct negotiations or conclude any deals, concerning import or export, without the provisional permission of the Narkomat for Foreign Trade" (*Dekrety Sovetskoi Vlasti,* vol.9, p.39). This included the co-operatives: RGAE, f.413, op.2, d.499, l.1: From 'Instructions to local representatives of Narkomvneshtorg', 13th December 1921: These instructions set out a procedure whereby all import requests of co-operative organisations were to be submitted to Tsentrosoiuz, which in turn would submit them to the local office of Vneshtorg which would buy the goods abroad, or, under certain circumstances, authorise Tsentrosoiuz to make the purchases directly. As for smugglers, Vneshtorg no longer endorsed them and sought to crack down on the phenomenon: RGAE, f.413, op.2, d.324, ll.84-85: a draft decree for the Council of Labour and Defence on fighting contraband trade on the front lines with an explanatory note, 1920. Vneshtorg argued for all individuals and organisations to be forbidden from crossing the front, claiming that this phenomenon facilitated foreign espionage.

[122] RGAE, f.413, op.2, d.500, l.1-3: 'Instructions for Local Organs of the NKVT located in the RSFSR', 1921.

[123] Early examples being the Soviet trade mission in Estonia and the Soviet delegation and Arcos in the United Kingdom. On the former see Solomon, *Sredi Krasnykh Vozhdei,* vol.1, ch.3: "My Service in Estonia". On the latter see Liberman, *Building Lenin's Russia,* ch.17: 'Matching British Wits'.

[124] RGAE, f.413, op.2, d.1914, ll.113-114: From 'Theses on Foreign Trade', N.D.. Krasin gives reasons for the monopoly including preventing the collapse of the rouble, creating an active trade balance, ensuring planned development of industry, protecting recovering industries from foreign competition, regulating the import and export of grain, and guaranteeing state profits from foreign trade. Also see O'Connor, *The Engineer of Revolution*, pp.158-160, 183, 192.

west, reassuring foreign partners that Soviet Russia was a reputable trading partner. In a memo to a Vneshtorg colleague he wrote:

> ...we will need to have a serious wash and dress up and generally assume a more European appearance than we have up to now.[125]

For Krasin, if Vneshtorg had any chance of working effectively, it had to be staffed extensively with former commercial specialists, linguists, experts in international law, and other professionals.[126] His new Deputy, Aaron Sheinman, set about recruiting these with a fighting spirit. Sheinman apparently considered the restoration of foreign trade such a high priority for the Soviet government that he petitioned the Council of Labour and Defence for the right to commandeer all state personnel with relevant experience into Vneshtorg.[127] In a similar vein, Lezhava, Sheinman's successor from June, appealed to the *Sovnarkom*:

> For carrying out import and export operations, it is absolutely vital to have staff who have studied foreign trade. In most cases those people are spread throughout various organisations and are doing work completely unrelated to their profession. It is necessary to concentrate them within the organisation that can use their special knowledge and experience to the best advantage for matters of state importance. Thus NKVT [*Vneshtorg*], following the example of other organs, asks Sovnarkom to pass a special decree to secure... the exclusive right to command such personnel to work for NKVT...from other organisations.[128]

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[125] RGAE, f.413, op.2, d.1431, ll.53-54: From a letter from Krasin in London to Lezhava in Moscow, 18th June 1921. "Wash and dress up" trans. from *"priumyt'sia i priodet'sia"*.
[126] Liberman, *Building Lenin's Russia,* pp.61-62; O'Connor, *The Engineer of Revolution,* pp.127, 138.
[127] RGAE, f.413, op.2, d.324, l.77: Letter from Zamnarkom Sheinman to the Council of Labour and Defence, 5th June 1920. In particular he had his eye on Alexander Levin, former manager of foreign orders in Zemgor, a structure put together from local authorities under the Imperial regime to organise the distribution of wartime orders. Levin was currently working for the party's own department of distribution.
[128] RGAE, f.413, op.2, d.324, l.22. Letter from Lezhava to Sovnarkom, 26th October 1920. Unfortunately no record was found of the responses of either the Council of Labour and Defence or Sovnarkom.

Thus Vneshtorg officials attached a sense of life-or-death to foreign trade. However, the Kremlin was also exploring another means of economic interaction with the west.

Concessions

As well as seeking straightforward goods exchange with foreign capitalists, the Soviet government also wanted them to develop the Russian economy, in the form of concessions.[129] This involved leasing them an economic object, such as an area rich in minerals or dense with forestry, and allowing them to develop the infrastructure to exploit and process those materials. A certain quota of the goods would be delivered to the Soviet government, with the remainder left with the capitalist for their own exploitation. When the lease ended the capitalists would leave and the state would inherit the shiny new factories and mines.

The concessions policy had developed alongside the foreign trade monopoly after the Bolshevik leadership had set the general course for economic relations in early 1918.[130] By August Sovnarkom had formalised its official position on concessions with a set of theses detailing the circumstances under which they were permissible.[131] However the policy had remained a dead letter during the civil war in view of Soviet Russia's difficult relations with the west. In the beginning of 1920 Krasin, eager to reopen the discussion, put forward a new set of theses.[132] This sparked off a new interest in the subject which lasted the whole year and culminated in November when Sovnarkom passed a decree legalising concessions and commissioning a prospectus of

[129] On concessions see A.C. Sutton, *Western Technology and Soviet Economic Development, 1917-1930* (Stanford, 1968); E.B. Iuferova, *Leninskoe Uchenie o Gosudarstvennom Kapitalizme* (Moscow, 1969).
[130] Shishkin, *V.I. Lenin*, pp.119-121.
[131] Shishkin, *Sovetskoe Gosudarstvo*, p.99.
[132] Shishkin, *Sovetskoe Gosudarstvo*, p.229.

enterprises up for lease, to be widely distributed among western business circles.[133]

Lenin and Krasin had been united in their advocacy for the policy, but their underlying views on concessions highlighted their fundamental political differences. In his theses, Krasin advocated the granting of concessions "on the widest possible basis".[134] He was not concerned with fixing tight lease periods, being happy to let the capitalists continue working on their projects for lengthy or open-ended periods.[135] Meanwhile Lenin feared the ideological effect of concessions on the socialist project, proposing they be granted only in isolated areas and for fixed time periods.[136] He returned to medical analogy to articulate the danger:

> It is obvious that a capitalist who retains private property and exploitation relations cannot be anything but a foreign body in a socialist republic.[137]

Lenin portrayed the concessionaires' mentality as highly infectious, and the peasant villages surrounding their enterprises as highly vulnerable:

> ...when their dwelling areas are created they will bring capitalist customs along with them and will try to demoralise the peasantry... A small master by his very nature, the peasant is inclined to freedom of trade....[138]

However, as with home-grown traders, he believed that the infection could be contained through stringent regulation of the concessions. Indeed, he considered the latter would be much easier to control than the millions of 'anarchic' petty proprietors currently representing the

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[133] 'Postanovlenie SNK ob Obshchikh Ekonomicheskikh i Iuridicheskikh Usloviiakh Kontsessii' (Decree of SNK on the General Economic and Juridical Conditions of Concessions) *Dekrety Sovetskoi Vlasti,* vol.11 (Moscow, 1983), pp.251-254.
[134] Shishkin, *Sovetskoe Gosudarstvo* p.229.
[135] Shishkin, *Sovetskoe Gosudarstvo*, p.229. Perhaps disingenuously, Krasin justified the extended rental periods on the basis that the revolution would have spread long before the time was up anyway.
[136] Lenin, 'Report on Concessions', pp.478-483.
[137] Lenin, 'Report on Concessions', p.479.
[138] Lenin, 'Speech Delivered at a Meeting of Activists of the Moscow Organisation of the RSP(B)', *Collected Works,* 6th December 1920, vol.31, pp.456, 458.

capitalist sector, as they could be "hedged around on all sides with special supervisions."[139]

Another difference between the two men was that, whereas Krasin hailed concessionaires as the saviours of the economy and asserted there was no other way to restore Russia, for Lenin the main point of the policy was actually to engage in diplomatic intrigue.[140] He believed concessions could be granted strategically to exacerbate the underlying geopolitical rivalries between the imperialist camps and pitch them against each other.[141] He cited the example of a project being negotiated at the time with an American entrepreneur Vanderlip for the extraction of oil and minerals from the Kamchatka peninsula in the Far East, an area Japan had long taken an interest in.[142] Lenin relished the resulting indignation of the Japanese press:

> There is hardly a report from Japan which does not speak of the great concern caused by the expected concessions. "We shall not tolerate it," Japan declares, "it infringes our interests." Go ahead then, and defeat America; we have no objections.[143]

Lenin described stirring up trouble as "the whole purpose of the Kamchatka concessions". For him, setting the imperialists against each other was more important than the economic gains concessions could offer:

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[139] Lenin, 'Reply to the Debate on the Report on Concessions Delivered to the RSP(B) Group at the Eighth Congress of Soviets', 21st December 1920, *Collected Works,* vol.42 (Moscow, 1969), p.247. Also see Lenin, 'Report on Concessions', pp.483-484. This logic that foreign firms would be easier to control than Russian citizens can be seen in the following: RGAE, f.413, op.2, d.1508, l.54: From 'Report to the Plenum of the Central Committee RKP(b) on the work of the commission of the Plenum on Foreign Trade', 1923. This commission advocated forbidding Russian citizens from representing foreign firms operating in Russia as they "have more possibility to get around the law".
[140] Shishkin, *Sovetskoe Gosudarstvo*, p.229.
[141] Lenin, 'Our Foreign and Domestic Position', p.413; Lenin, 'Speech Delivered at a Meeting of Cells' Secretaries of the Moscow Organisation of the RSP(b)', 26th November 1920, *Collected Works,* vol.31, pp.431-432; Lenin, 'Speech Delivered at a Meeting of Activists', pp.438-450; Lenin, 'Report on Concessions', pp.464-471.
[142] The territory was in fact still under Japanese occupation following Japan's intervention in the Russian civil war, according to Lenin ('Report on Concessions', p.465).
[143] Lenin, 'Speech at a Meeting of Activists', p.446.

> Of course, concessions are important to us also as a means of obtaining commodities. That is unquestionably true, but the chief thing is the political aspect.[144]

Despite the starkly different meaning he attached to concessions, Lenin was happy to tolerate Krasin's approach. The latter's genuine desire to build meaningful relationships with the capitalists helped Soviet Russia to gain their trust and get them to invest in the first place.[145]

Learning to Trade

As some party members became directly involved in professional commercial affairs, either through working for Vneshtorg, or the Concessions Committee in Vesenkha, they started to speak about the practice of trade in a new way. Up to now the dominant rhetoric had seen commerce as a moral evil soon to melt away into a socialist system of distribution.[146] However, a new discourse was emerging, of trade as a science to be studied and mastered over a long period of time. This shift required much soul-searching, as the party's own lofty self-identity was the antithesis of the 'bourgeois' trader, an ignorant narrow-minded fool whose occupation involved little more than tricking people. Few Bolsheviks had imagined that one day they would have to lower themselves to learning this 'profession'.[147] Krasin recalled a conversation with Lenin from shortly after the revolution:

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[144] Lenin, 'Speech at a Meeting of Activists', p.454.
[145] O'Connor, *The Engineer of Revolution,* p.175: Krasin was not distrustful of foreign capitalists as Lenin was and desired tighter relations with them. Also see T.S. Martin, 'The Urquhart Concession and Anglo-Soviet Relations', *Jahrbücherfür Geschichte Osteuropas*, 20 (4), 1972, p.554: During negotiations for a potential concession the following year he would develop a personal relationship with British tycoon Leslie Urquhart. At weekends, the Krasins would visit the Urquharts' country home. Krasin and Urquhart successfully negotiated an agreement, however this was rejected by Sovnarkom at the last minute for being politically undesirable (Martin, pp.565-567).
[146] See pp.57-64, 83-84 of this thesis.
[147] Although some Bolsheviks had been involved in the contraband trading of goods from Germany to Russia via Sweden during the First World War in order to raise funds for the party. These included Vatslav Vorovskii, Iakov Ganetskii, and Mechislav Kozlovskii. Vorovskii and Ganetskii went on to work in Soviet foreign trade after the revolution: S. Lyandres, *The Bolsheviks' "German Gold" Revisited: An Inquiry into the 1917 Accusations* (The Carl Beck Papers, Pittsburgh, 1995), pp.18-24, 52; M. Futrell, *Northern Underground: Episodes of Russian Revolutionary Transport and Communications through*

> When I presented my plans to him about shipping our raw materials abroad, about how developing our export would bring us a solid income of foreign currency and how in around five years we would have a constant positive trade balance, he screwed up one eye in his familiar way, looked askance and waved his hand in a hopeless gesture, saying "what kind of traders are we?[148]

The discourse of 'learning to trade' had two strands. Vneshtorg officials tended to speak about 'learning from mistakes', referring to their rather chaotic pre-1920 experiences when through naivety and desperation they were often swindled by the smugglers and other speculators. Lezhava recalled:

> As long as we didn't have an apparatus of our own qualified personnel, we were forced to use these old dealers. Unsurprisingly, in these early days, when we needed both to build an apparatus and conduct operations at the same time, there were a lot of mistakes and mess.[149]

They portrayed these early experiences as a learning curve, allowing them to improve their techniques, as a Vneshtorg report demonstrates:

> We had to, in advance, accept the inevitability of making many mistakes. As we gained experience, we made fewer mistakes. Our systems improved, were modified.[150]

Krasin later used this logic to defend his monopoly, arguing that if other parties were allowed to access the foreign market they would make all these beginners' mistakes all over again:

> Although our organs are not working at their best, and... for three years we have been bumping our heads, our trusts and syndicates

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Scandinavia and Finland, 1863-1917 (London, 1963), ch.7; A.G. Shliapnikov, *On the Eve of 1917.* Trans. Richard Chappell (London, 1980), pp.63, 120.
[148] Krasin, *Voprosi*, p.67.
[149] Smol'nikov, *Lezhava*, p.59.
[150] RGAE, f.413, op.2, d.44a, l.3: From 'Report on the Activities...'.

would have made ten times more mistakes were it not for the monopoly.[151]

Meanwhile, in concessions, the emphasis was on learning from the foreign investors. Lenin envisaged what he called a 'chequerboard' system: territories up for lease would have Soviet patches of land in and around them, in which agents would quite literally copy their neighbours:

> We definitely stipulate that next to ... a concession square of territory, there will be our square, and then again their square; we shall learn from them how to organise model enterprises by placing what is ours next to theirs... Operating up-to-date equipment nowadays is no easy matter, and we have to learn to do so, learn it in practice. That is something that no school, university or course will teach you. That is why we are granting concessions on the chequer-board system. Come and learn on the job.[152]

The discourse of learning to trade would become more widespread among Bolsheviks following the launch of the New Economic Policy the following year, as all economic organs were forced to engage in commercial methods.[153] In 1920 these approaches to capitalism were still new and highly controversial.

Part Three: Negative Reactions to the New Policies

Many of Lenin's and Krasin's comrades feared they were playing a dangerous game which would see Soviet Russia swallowed up by western capitalism. Some did not see any need for western collaboration at all. The writer R. Arskii argued that Russia was so abundant in natural resources that it could develop its economy in isolation, and it would actually be more beneficial to refuse relations, as then the Soviet

[151] RGAE, f.413, op.2, d.1011, l.38: L.B. Krasin, 'On the Development of Foreign Trade', report delivered on 13th December 1923.
[152] Lenin, 'Speech at a Meeting of Activists', p.456. See also Lenin, 'Reply to the Debate', p.243: "The best way to learn is to grant the Germans a con-cession (sic) on one of our factories. No schools or lectures will help as much as practical work at a factory, where the workers can be trained in six months and then made to build another factory like it next door".
[153] See pp.172-173 of this thesis.

government could avoid paying the debts to the imperialists incurred by the previous Russian regimes.[154] However, opposition remained verbal and did not take the drastic form it had in early 1918.[155] Many prominent leaders, including Left Communist ringleader Bukharin, had come round to the idea of economic co-operation, if somewhat cautiously:

> The policy on our part must... aim at the reopening of economic relations with other States - in so far, of course, as this is compatible with our general aims.[156]

Trotsky accepted concessions with a similar sense of reluctance. He stressed there was a very real danger of ending up an imperial subject:

> If the pressure of European capital catches us in a state of weakness, we will not escape the fate of the European colonies, we will not escape the canes of the foreigners.[157]

He also warned his comrades not to expect too much of foreign partners, as the slightest shift in the international situation could see all western nations breaking off relations again.[158] Nevertheless he agreed

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[154] *Ekonomicheskaia Zhizn'*, 1st January 1919. Cited in Heywood, *Modernising Lenin's Russia,* p.67. The Tsarist and Provisional Governments had incurred enormous debts to western nations by 1917, mostly during the First World War. For example by the beginning of the war Russia owed the United Kingdom £50 million, and over the course of the next four years this increased by a further £579 million (Ullman, *Anglo-Soviet Relations*, p.107). The question of whether Soviet Russia was responsible for these debts were the main sticking point in Soviet-western trade negotiations throughout the early 1920s: Carr, *The Bolshevik Revolution,* vol.3, ch.29; E.H. Carr, *Socialism in One Country, 1924-1926,* vol.3 (London, 1964), pp.22-27; T.E. O'Connor, *Diplomacy and Revolution: G.V. Chicherin and Soviet Foreign Affairs, 1918-1930* (Ames, 1988), p.119; Kennan, *Russia and the West,* ch.16; W.P. Coates and Z.K. Coates, *A History of Anglo-Soviet Relations*, vol. 1. 1919–1942 (London, 1943), chs. 3 and 4.

[155] At least, the protest specifically over doing trade with the west was verbal. Opposition groups still formed in protest against other aspects of Soviet policy, like the Democratic Centralists and the Workers' Opposition (introduced on p.113, footnote 205 and p.118, footnote 227 of this thesis). See S. Pirani, *The Russian Revolution in Retreat, 1920-24: Soviet Workers and the New Communist Elite* (London, 2008), ch.2.

[156] N.I. Bukharin, E.A. Preobrazhenskii, *The ABC of Communism* (Harmondsworth, 1969), p.326. Also see Bukharin, *Programme of the World Revolution* (1918), ch.16, 'No Trade Communication Between the Russian Bourgeoisie and Foreign Imperialists (Nationalisation of Foreign Trade)': https://www.marxists.org/archive/bukharin/works/1918/worldrev/ch16.html [accessed 10.01.2019]. In this work, written as early as May 1918, Bukharin accepted the need to trade with capitalist nations, advocating the monopoly as a way to regulate this.

[157] Trotsky, 'Pis'mo v Tsektran' (Letter to Tsektran), *Sochineniia*, vol.15 (Moscow, 1927), p.435.

[158] *Vos'moi Vserossiiskii S"ezd Sovetov: Stenograficheskii Otchet* (Moscow, 1921), pp.240-241. Also see Heywood, *Modernising Lenin's Russia,* p.226.

concessions could be useful, provided they were in distant and isolated areas where they could not influence the republic's independent economic programme.

After some initial controversy, the concessions policy somewhat faded from debate in the subsequent years. This was largely because the policy itself never took off as expected.[159] Western capitalists did not find Soviet concessions a secure or promising arena for their investments. As for the few that were negotiated, Bolshevik leaders quickly grew disillusioned with the lack of political sensation that they provoked in the west.

It was instead Vneshtorg that became a magnet for condemnation among those disgruntled and uncertain about the way foreign economic policy was heading. Krasin was not widely trusted in the Kremlin and many feared his apparent influence over Lenin. Solomon described the sense of bitterness felt towards his friend:

> Needless to say this special treatment by Lenin made him countless enemies in the red Olympus.... and his apparent influence over Lenin deprived many of sleep at night.[160]

This was partly due to resentment and jealousy that someone like Krasin, who had previously abandoned his party and even now openly scorned Bolshevik theory, could return out of the blue and quickly amass such power.[161] At the same time there was a genuine fear that he was little more than a 'dealer' or a *'burzhui'* himself and he would lead Russia straight back into the clutches of capitalism.[162] Bolsheviks working in

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[159] Shishkin, *Sovetskoe Gosudarstvo,* p.418; E.H. Carr, *Socialism in One Country, 1924–1926*, vol. 1 (London, 1958), pp.454–455; M. Dobb*, Soviet Economic Development since 1917* (London, 1953), p.150; R. Lewis, 'Foreign Economic Relations', in R.W. Davies, M. Harrison and S.G. Wheatcroft (eds.), *The Economic Transformation of the Soviet Union, 1913-1945* (Cambridge, 1994), p. 205; J.P. McKay*,* 'Foreign Enterprise in Russian and Soviet Industry. A Long Term Perspective', *Business History Review*, 48 (3), 1974, p.352; R. Munting, 'British Business and the Politics of Trade during the New Economic Policy', *Business History,* 48 (2), 2006, p. 264; A. Nove, *An Economic History of the USSR, 1917–1991*, 3rd ed. (London, 1992), p. 84.

[160] GARF, f.R-5881, op.2, d.658. l.100: from *Leonid Borisovich Krasin*, p.100.

[161] GARF, f.R-5881, op.2, d.658. l.100: from *Leonid Borisovich Krasin*, p.100; O'Connor, *The Engineer of Revolution,* p.128.

[162] O'Connor, *The Engineer of Revolution,* p.128; A. Kocho-Williams, *Russian and Soviet Diplomacy, 1900-1939* (Basingstoke, 2012), p.80. Krasin was not, however, universally

other organs came to view Vneshtorg not as a moral shield against western capitalism, as Krasin somewhat disingenuously sought to portray it, but as a hotbed of corruption itself.[163] Varlaam Avanesov, head of The Workers' and Peasants' Inspectorate, the Soviet watchdog organ, referred to its "criminal character".[164] Bolshevik economist Gleb Krzhizhanovskii described the "moral situation" on the trading front as "hardly the best".[165] There were two strands to this discourse.

Corruption from Without: Contact with Western Traders

Critics argued that exposure to western capitalism corrupted Vneshtorg agents. According to head of Vesenkha Alexei Rykov, "they plainly and quickly degenerated into bourgeois once they crossed the border into foreign lands".[166] Krasin himself bought into this trope to defend the mistakes of his staff:

> Foreign trade is the most heated and dangerous front in our struggle with the bourgeoisie. We have to work in the most corrupt, speculative and greed-driven environment. Foreign firms and governments try any way to pervert and use our personnel for their own interests, and it is unsurprising if they [the personnel] are not always on the proper level.[167]

This logic is evident in Moscow's unusually indulgent treatment of the Soviet representative in Estonia. Isidore Gukovskii had excellent party credentials, having joined in 1898 and done a five year stint of hard labour in Krasnoiarsk for the cause. However, not long after he was

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hated. Liberman claimed that Lenin's entire 'inner sanctum' shared his admiration for Krasin's commercial nouse (*Building Lenin's Russia)*, pp.60-61. Also see O'Connor, p.128.
[163] Liberman *Building Lenin's Russia*, p.166. For Krasin's attempts to portray Vneshtorg as an anti-capitalist shield, see *Voprosi*, pp.42, 72, 95, 103.
[164] S.U. Sarkisian (ed.), *Avnesov, V.A.: Stat'i, Doklady, Materialy* (Yerevan, 1985), p.179.
[165] GARF, f.R-5881, op.2, d.878, ll.4-5: From G.M. Krzhizhanovskii, 'Pamiati Leonida Krasina' (In remembrance of Leonid Krasin), published in *Izvestiia,* no.23, 25th November 1926, p.2.
[166] Liberman, *Building Lenin's Russia*, p.68. Vesenkha was particularly ill-disposed to Vneshtorg after the shift to the NEP, as all its organs, forced into economic independence, sought direct access to foreign markets themselves, and felt that Vneshtorg was hampering their work and cheating them. See Liberman, p.165.
[167] RGAE, f.413, op.2, d.1914, l.40: From 'Theses on Foreign Trade'.

appointed to Revel' (now Talinn) as diplomatic and commercial agent, reports started circulating about his involvement in bribery and embezzlement.[168] Solomon, who was sent in July to straighten out Gukovskii's commercial affairs, reported what he encountered there.[169] Trading activity was dominated by three relatives: Gukovskii's lover, her husband, who worked as Gukovskii's secretary, and her brother, who had a near monopoly on supplying goods to the mission. A trader wishing to do business with Soviet Russia would be expected to bribe all three just to gain access to Gukovskii, whom he would then have to treat to a lavish feast. The deal sealed, Gukovskii would record an exorbitant commission for the trader, up to 40% on top of the market price of the goods, which they would divide between themselves.[170] The payment sorted, the mission would show little further interest in the deal, and suppliers would often fail to provide any goods.[171] The Estonian mission soon became infamous not only in Moscow, but also in the west, at a time when the imperialists had all eyes on Soviet Russia to see whether or not it would make a worthy trading partner.[172] Despite the terrible publicity, Moscow allowed Gukovskii to stay on as head of the mission until early the following year.[173] This indulgence suggests they saw him as less of an audacious criminal than an unfortunate victim of his surroundings.[174] During this time the Central Committee took various measures to restore Gukovskii's morals, including sending his wife and children to Revel' to 'force family values' on him, to no avail.[175]

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[168] Solomon, *Sredi Krasnykh Vozhdei,* vol.1, p.231; M.Ia. Larsons, *V Sovetskom Labirinte: Epizody i Siluety* (Moscow, 1932), p.47; RGAE, f.413, op.2, d.448, l.100: Letter from Lezhava to Narkomindel deputy L. Karakhan, 26th October 1920. Lezhava refers to the "disgracefulness that we now face in Revel'".
[169] See Solomon, *Sredi Krasnykh Vozhdei,* vol.1, ch.3.
[170] Solomon, *Sredi Krasnykh Vozhdei,* vol.1, pp.272-274.
[171] Solomon, *Sredi Krasnykh Vozhdei,* vol.1, pp.277-279.
[172] Solomon, *Sredi Krasnykh Vozhdei,* vol.1, p.231.
[173] In the beginning of 1921 Gukovskii was recalled to Moscow, shortly after which he died in mysterious circumstances: Solomon, *Sredi Krasnykh Vozhdei,* vol.1, p. 363; Lazerson, *V Sovetskom Labirinte*, p.47.
[174] Though for Solomon this indulgent attitude was largely thanks to Gukovskii's connections in the party's upper echelons and his generous gift-giving to the right people (*Sredi Krasnykh Vozhdei,* vol.1, pp.304, 307).
[175] Solomon, *Sredi Krasnykh Vozhdei,* vol.1, p.231. In a similar vein Liberman (*Building Lenin's Russia,* p.166) claimed that a decision by Moscow to recall Krasin from London for the winter of 1922 was motivated by concern over him getting too integrated in bourgeois society: "that it might be good for his soul if he breathed his homeland's pure air for a while".

Thus dealings with the west could corrupt comrades' souls. However it was not only external forces that made Vneshtorg an 'immoral sphere'.

Corruption from Within: 'Bourgeois' Specialists in Vneshtorg

With very few party members having any professional background in trade, Vneshtorg had an exceptionally high proportion of non-party specialists in its workforce. Of its 192 office workers and couriers in July 1920, only four identified themselves as Bolsheviks.[176] The employment of the non-Bolshevik intelligentsia in state apparati was a highly controversial issue in the party at this time. The Ninth Party Congress in the spring had agreed that the knowledge and expertise of all specialists were vital to the future of the Soviet government.[177] However the two big opposition movements of the time, the Democratic Centralists and the Workers' Opposition, both vehemently protested against giving them positions of authority.[178] Many Bolsheviks, especially those in the ranks, distrusted any specialist who had not joined the party before the revolution, and considered them an organic part of the old order.[179] Indeed they were usually categorised as 'bourgeois specialists' in Bolshevik discourse.[180]

The makeup of the Vneshtorg workforce was especially problematic for the party as many positions were occupied by those with

[176] Full breakdown: *Bezpartinie* (non-party): 174; Social Democrat 4; Bolshevik 4; Communist 1; Candidate of RKP 1; Bolshevik but not in party 1; unknown 3; commandeered to Vneshtorg from the party organisation 1; Left SR 1; Illegible 1; RSDRP 1. From RGAE, f.413, op.2, d.279, ll.21-24: 'A List of Departmental Workers of NKVT', 15th July 1920. These figures include office workers and couriers.
[177] L. Schapiro, *The Origin of the Communist Autocracy. Political Opposition in the Soviet State: First Phase, 1917-1922,* 2nd ed. (London, 1977), p.231.
[178] K.E. Bailes, *Technology and Society under Lenin and Stalin: Origins of the Soviet Technical Intelligentsia, 1917-1941* (Princeton, 1978), p.59; Schapiro, *The Origin,* pp.221, 228; R.V. Daniels, *The Conscience of the Revolution: Communist Opposition in Soviet Russia* (Oxford, 1960), p.109; S. Fitzpatrick, 'The Bolsheviks' Dilemma: Class, Culture and Politics in the Early Soviet Years', *Slavic Review* 47 (4), 1988, pp.605-608; Pirani, *The Russian Revolution,* ch.2.
[179] Bailes, *Technology and Society,* p.52; S. Fitzpatrick, 'The Problem of Class Identity in NEP Society', in S. Fitzpatrick, A. Rabinowitch, and R. Stites (eds.) *Russia in the Era of NEP: Explorations in Soviet Society and Culture* (Bloomington, 1991), pp.20-21.
[180] On the name 'bourgeois specialists' see Fitzpatrick, 'The Problem of Class Identity', p.20; and 'The Bolsheviks' Dilemma' p.600.

a trading background, and who were therefore believed to be endowed with a toxic 'petty bourgeois' mentality.[181] Furthermore, Krasin liked to promote these individuals to senior consulting and management roles, believing that experts should formulate and administer policy themselves rather than just advising communist leaders.[182] In April 1921 a group of communists working in the organ complained to Krasin about their colleagues:

> ...there are no specialists who are genuinely devoted to the ideas of building a socialist society.... their main motivation, personal interest, manifests itself in grotesque forms....[183]

According to Liberman, Krasin himself believed that some of his ex-capitalist staff were plundering resources from the state, yet he accepted their "occasional unclean gain" as a small price to pay for the crucial services they were performing in restoring foreign trade.[184]

Few shared Krasin's indulgent attitude however. Narkomindel was reluctant to let them travel abroad at all, for fear they may embezzle state property and abscond or join forces with the republic's overseas enemies. This created a conflict as Vneshtorg sought to place sizeable teams of specialists in each overseas mission to co-ordinate the inspection, packaging and shipping of the goods. Just one month after Vneshtorg's creation Krasin was already referring to a "policy of sabotage towards trade" on the part of Narkomindel.[185] Two months after Lezhava had requested passports for eleven experts to travel to Revel' to manage a shipment of urgent goods, he complained to Narkomindel Deputy Lev Karakhan that only two had been granted the documents, seven having

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[181] For example Liberman had been a prominent timber merchant before the war (*Building Lenin's Russia*, pp.49-50). The file RGAE, f.413, op.2, d.324 (1920) includes several examples of former traders recruited into Vnestorg, including A.M. Krilichevski, who had accrued ten years experience in a commercial setting (ll. 33-33a, 101), and Lipskii, who had for the previous two years worked "exclusively in commercial organisations in Georgia" (under British occupation during this period) (l.51).
[182] O'Connor, *The Engineer of Revolution,* pp.127, 138.
[183] RGAE, f.413, op.2, d.754, l.37: From 'Draft Proposal for Developing Local and Central NKVT Organs'. Signed by a group of colleagues from the NKVT Import Administration and addressed to the People's Commissar for Foreign Trade, 28th April 1921.
[184] Liberman, *Building Lenin' Russia,* p.166. Lenin was of a similar view: See A.M. Ball, *Russia's Last Capitalists: The Nepmen, 1921-1929* (Berkeley, 1987), p.19.
[185] RGAE, f.3429, op.1, d.1415, ll.20-20a: From a letter from Krasin in Revel' to Moscow, 22th July 1920.

been refused without explanation, and the remainder ignored.[186] Karakhan replied that the seven had been refused as Gukovskii had claimed large delegations to be unnecessary, a rather spurious reason considering that by this time the latter's name was already under a cloud and he had been relieved of all his commercial duties even before the visas were rejected.[187] Karakhan's letter referred to even more rejected candidates. Almost all of his justifications reflect a concern with losing the ability to keep track of and exert influence over the individual. The trip of a certain Chekanovets' to Lithuania was rejected as his brother was already working in the Riga mission, which made Narkomindel "uncomfortable". Another individual had not provided a guarantor (*poruchitel'*). Five family members of mission staff were prevented from joining their loved ones due to Narkomindel being "in principle against" such reunions. Finally one Gerar-de-Vil'yar was prevented from travelling to Germany on the grounds of being a Brazilian citizen, presumably meaning that there was no hostage to prevent him embezzling Soviet resources and never returning.[188]

Two conflicting movements were beginning to appear within the party, as some Bolsheviks sought to engage in state trade, while others, suspicious of their aims, sought to restrict them. This antagonism would deepen in the following years, as the adoption of commercial methods went from being the idiosyncrasy of Vneshtorg to official policy for all state economic organs.

Conclusion

The Bolsheviks entered the revolution with a belief that commercial ties with imperialist nations would be their undoing. However as time passed and the revolution failed to spread, they were increasingly obliged to

[186] RGAE, f.413, op.2, d.448, l.100: Letter from Lezhava to Karakhan. Copied to Special Department of Cheka, 26th October 1920.
[187] RGAE, f.413, op.2, d.448, l.189: Letter from Karakhan to Lezhava, 26th October 1920. The applications were rejected between 15th August and 20th October, Gukovskii had been relegated mid-July.
[188] To some extent this may have been justified. Solomon claimed there were a huge number of applicants for jobs in Revel' as everyone wanted to leave the 'socialist haven': *Sredi Krasnykh Vozhdei,* vol.1, p.235.

seek economic contact with the west as the lesser of two evils, the other being complete economic breakdown at home and overthrow by the disaffected population.

This shift in policy came about in rough correlation with the party's changing approach to domestic trade. It first went through a stage in which the centre tried to assert control over all Russian agents interacting with foreign capitalism and direct them to fulfil the republic's immediate needs. This was intended as a temporary means of bypassing the sanctions the western powers placed on the Soviet government during the civil war period. The Bolshevik leadership believed an impending international revolution would soon remove the need for any contact with foreign capitalism. Like in domestic trade, the aim of the policy was not to wipe out the private sector, but to utilise its networks and expertise. This brings into further doubt the idea of 'War Communism' as a drive to build a statised economy during the civil wars.

Then, as the civil wars came to an end, the party leadership began to review the situation. Both the Bolsheviks and the west were coming to the conclusion that the other was here to stay for the time being, and that consequently some form of serious commercial relationship would be beneficial. Western capital and technology could serve as a short-cut to rebuilding the shattered Russian economy after the devastation of six years of constant warfare. In an evolution of the bureaucratic tendencies that had already been emerging in domestic commerce, the Kremlin decided to create a dedicated state organ, Vneshtorg, to manage all trade with the west. In a process that foreshadowed the New Economic Policy by around a year, Bolsheviks were involved in professional commercial activities for the first time. Encouraged by Lenin and Krasin, this led to a section of the party softening their prejudices against trade and treating it as an advanced science to be studied and mastered.

However, their new approach to trade marked these Bolsheviks out from the rest of their comrades. Many party members feared every step the Soviet government made in foreign economic policy, forecasting each time the death of the socialist project. They despaired that

concessions could lead to imperialists colonising Soviet Russia, while internal enemies like smugglers, or later, Krasin and his Vneshtorg specialists, would corrupt the project from within with their petty-bourgeois mentality.

Lenin remained consistent that capitalist forms could be a beneficial force provided they were controlled and regulated effectively. However, he had originally envisaged the conscious proletariat regulating big commercial firms. By the end of the civil wars neither the former, nor the latter had any significant existence in Russia and the Bolshevik leadership strove to fill both voids with party-state bureaucracies. As Vneshtorg's experience showed, this created a contradiction whereby some party members became trading agents and others were forced to control them. This sense of disharmony would deepen over the following years, as all economic organs were forced to adopt commercial methods.

Chapter Four: Controlling NEP: Trade and the State 1921-1923

Ever since autumn 1918 new commercial trends had been developing in Soviet economic policy. The Kremlin gradually moved towards allowing some form of petty free market trading activity. At the same time it increasingly sought to build a professional state apparatus devoted to trade. These came together in the early 1920s into a form of mixed economy subsequently known as the 'New Economic Policy', or NEP for short. The Bolshevik leadership had gradually ditched their original vision, whereby the proletariat would guide the old capitalist infrastructure, with the help of sympathetic states in the west, into socialism. The proletariat had failed to live up to their expectations, the old economy had been largely destroyed during the civil wars, and the revolution had failed to spread to Europe. The leadership now set about building from scratch an advanced economic infrastructure which, they believed, when eventually completed would serve as the bedrock of future socialism. They deemed the utilisation of capitalist methods indispensable to this process. Sovnarkom sought to permit some small-scale private activity in the short term, to restore the flow of food and manufactured goods between town and country. Meanwhile it forced the nationalised sector to learn to trade, to compete with the private traders, with the aim of eventually overtaking and swallowing them up. This required the creation of a new type of civil servant, one who was both a loyal Soviet agent and also an able businessperson. However, to what extent would the Bolsheviks, possessed with an innate hostility towards the capitalist, be able to trust these new administrator-entrepreneurs?

This chapter traces how the party came to extend their earlier commercial initiatives into a unified economic policy in the early 1920s. Even though trade became the business of Proletarian government, many Bolsheviks remained convinced that it was a socially and politically harmful phenomenon that had to be rigorously controlled. They mobilised other parts of the state apparatus in order to carry out this control, in particular a new watchdog narkomat called the Workers' and Peasants'

Inspectorate, or Rabkrin for short. The chapter examines the shortcomings of this approach and the conflicts of interest it generated through a case study looking at how a local Rabkrin division conducted its supervision of commerce.

Part One: What Was NEP and How to Control it?

The Emergence of NEP

By late 1920 the party leadership was disillusioned with razverstka as a way of procuring grain from the peasantry. Its arbitrary and ruthless implementation had led to mass peasant revolts in multiple regions.[1] As a result Narkomprod struggled to feed the cities, causing dissatisfaction among urban residents too.[2] The Kremlin increasingly came back to the idea of a food tax on an individual basis, a policy which Sovnarkom had actually decreed back in autumn 1918 but which had been quickly rendered obsolete by the collective razverstka system.[3] Leaders hoped this would appease the peasants through guaranteeing them the right to any surplus, and thus make them more willing to co-operate. Lenin suggested the change to the Tenth Party Congress in March 1921 where it met with near unanimous approval.[4] VTsIK approved the food tax, or 'tax in kind', several days later. The decree entitled peasants to consume any surplus food themselves or exchange it for other goods.[5]

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[1] See pp.110-112 this thesis.
[2] A. Banerji, *Merchants and Markets in Revolutionary Russia, 1917-1930* (Basingstoke, 1997), p.41.
[3] See pp.110-113 of this thesis.
[4] Lenin introduced the change in the following speeches at the Congress: V.I. Lenin, 'Report on the Substitution of a Tax in Kind for the Surplus Grain Appropriation System', (pp.214-229) and 'Summing-up Speech on the Tax in Kind' (pp.229-241), both delivered on the 15th March 1921, *Collected Works*, vol.32 (Moscow, 1973). On the near-unanimity of the approval see Lenin, 'Eleventh Congress of the RCP(b)', 27th March-2nd April 1922: "The turn towards the New Economic Policy was decided on at the last Congress with exceptional unanimity... This unanimity showed that the need for a new approach to socialist economy had fully matured" (*Collected Works,* vol.33, (Moscow, 1973), p.267. Also see Banerji, *Merchants and Markets,* p.42.
[5] 'Postanovlenie Vserossiiskogo Tsentral'nogo Ispolnitel'nogo Komiteta o Zamene Prodovol'stvennoi Syrevoi Razverstki Natural'nym Nalogom' (Ruling of the All-Russian Central Executive Committee on Replacing the Food and Raw-Material Razverstka with a Natural Tax), *Dekrety Sovetskoi Vlasti,* vol.13 (Moscow, 1989), pp.245-246.

However, the Bolsheviks did not yet accept widespread private trade. They continued to promote the co-operatives as the main agent of exchange. Shortly after the Congress Sovnarkom decreed that only the co-operatives were permitted to distribute government supplies of consumer goods and food to the population.[6] Lenin continued to see a crucial role for them in Russia's path to socialism:

> Co-operative trade... facilitates the association and organisation of millions of people, and eventually of the entire population, and this in its turn is an enormous gain from the standpoint of the subsequent transition from state capitalism to socialism.[7]

However, he believed that the state's attitude to the co-operatives would have to change dramatically. He argued that co-operative managers would need flexibility of action in order to adapt to the new policy, and therefore the decision of the previous Congress a year before, which had subordinated Tsentrosoiuz to Narkomprod, should be rescinded. Lenin had never been in favour of Narkomprod'*s* and Vesenkha'*s* attempts to break Tsentrosoiuz down into an appendage of their own apparati. He continued to argue that the co-operatives were much better at organising food supply than the state and should be left intact:

> ...the co-operatives left over from capitalism are the best distribution network and must be preserved.[8]

The new decree on co-operatives annulled the old resolution and Narkomprod was forced to negotiate a new relationship with Tsentrosoiuz on a contractual basis.[9] The decree also sought to clarify the consumer's relationship with the co-operatives. In it Sovnarkom once again urged the entire population to register with their local co-operative and use it

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[6] 'Dekret Soveta Narodnykh Komissarov o Potrebitel'skoi Kooperatsii' (Decree of the Council of People's Commissars on Consumer Co-operation), *Dekrety Sovetskoi Vlasti,* vol.14 (Moscow, 1997), p.45.
[7] Lenin, 'The Tax in Kind', 21st April 1921, *Collected Works,* vol.32, p.348.
[8] Lenin, 'Report on the Substitution', p.220.
[9] 'Dekret... o Potrebitel'skoi Kooperatsii', p.43. On the contract between Narkomprod and Tsentrosoiuz see Lenin, 'Tenth All-Russia Conference of the RCP(b)', 26th-28th May 1921, *Collected Works,* vol.32, pp.420-421.

as their primary source of goods.[10] As for private trade, the Kremlin only allowed for it on a very limited basis. The tax in kind decree merely spoke of permitting peasants to bring their produce to nearby markets to exchange with locals.[11]

However, this faith in the co-operatives proved too optimistic. Their structure was still far from advanced or extensive enough to embrace the vast territories under Soviet control.[12] Even where they did exist, the state struggled to provide them with industrial or consumer goods to offer the peasants. The Soviet leadership had placed a lot of emphasis on procuring such items overseas through foreign trade and concessions. However, it was proving more difficult than expected to come to an accord with western nations and economic interaction remained at a low level.[13] As a result, peasants sold their surplus food on the black market instead. Consequently the proportion of the population involved in bagging continued to rise in the early 1920s.[14]

Having already learned the hard way that bagging could not be stopped by force, Sovnarkom responded by widening its legalisation of free trade in order to try to channel it.[15] In summer 1921, the right to trade was extended from peasants to all citizens. Most types of goods

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[10] On the successive attempts to get the population to unite into a 'network of consumers' see pp.50-52, 98-105 of this thesis.

[11] 'Postanovlenie.... o Zamene...', p.246. Also see 'Vozzvanie VTsIK i SNK k Krest'ianstvu RSFSR' (Appeal by VTsIK and SNK to the Peasants of the RSFSR), *Dekrety Sovetskoi Vlasti,* vol.13 p.251: "On fulfilling the tax the peasant can exchange it [any surplus] for necessary products through co-operatives and on the local markets and bazaars".

[12] Banerji, *Merchants and Markets,* p.103.

[13] See p.159, footnote 154, and p.160 of this thesis. See also R.B. Day, *Leon Trotsky and the Politics of Economic Isolation* (Cambridge, 1973), pp.50-51. Day mentions that leaders including Lenin and Rykov overestimated the west's need to trade with Russia in the beginning of the NEP.

[14] A. Ball, 'Private Trade and Traders During NEP', in Fitzpatrick, Rabinowitch and Stites (eds.), *Russia in the Era of NEP*, p.89; Banerji, *Merchants and Markets,* p.88; I. Narskii, *Zhizn' v Katastrofe: Budni Naseleniia Urala v 1917-1922 gg.* (Moscow, 2001), p.484; L.H. Siegelbaum, *Soviet State and Society between Revolutions* (Cambridge, 1992), p.88. The increase in bagging was also caused by the 1921 famine, and growing unemployment rates as economic organs were forced to lay off workers during the shift to khozraschet (see pp.172-173 of this thesis).

[15] 'Postanovlenie Soveta Narodnykh Komissarov ob Obmene' (Ruling of the Council of People's Commissars on Exchange), *Dekrety Sovetskoi Vlasti,* vol.15 (Moscow, 1999), pp.170-172; 'Instruktsiia SNK o Poriadke Otkrytiia i Proizvodstva Vsiakoi Torgovli i Pravila Nadzora za nei' (Instructions of SNK on the Process of Opening and Conducting Any Trade and the Rules of Supervision over it), *Dekrety Sovetskoi Vlasti,* vol.17 (Moscow, 2006), pp.131-135. On previous attempts to liquidate bagging, see pp.107-110, 114-117 of this thesis.

now became eligible for free exchange. Furthermore, trade was no longer limited to rural bazaars, henceforth it could take place at markets, on squares and in shops. In this way the central government sought to draw trading activities away from bagging towards more transparent forms that it could supervise.

The new developments in private trade had implications for state-run industry. Since the revolution Vesenkha had been forced to take responsibility for more and more firms abandoned by owners or nationalised by headstrong local authorities up to the point where it had been obliged to take over the running of Soviet industry in general.[16] By 1921 it was responsible for supplying thousands of enterprises with all their needs, not just raw materials but also rations for the workers.[17] However, as trade passed into private hands, Vesenkha lost control over the circulation of industrial materials, and was as yet unable to procure new items from abroad. As for food, the first year of the tax in kind was unable to meet state needs due to severe famine in the Volga region.[18] As a result, industrial concerns were increasingly forced to use private suppliers to meet their requirements. They were equally dependent on the free market when it came to distributing their own produce. As the co-operatives failed to live up to Bolshevik expectations, Sovnarkom was obliged to remove their monopoly over distributing state supplies to the population and make room for private retailers.[19] These matters were coming to a head at a time when one of the most prominent Bolshevik discourses in economic matters was that of the state 'learning to trade'. The result was a Sovnarkom decree of the 9th August 1921, which cut the cords of dependency of economic concerns on Vesenkha, forcing them to survive on their own.[20] Many would be rented out to private entrepreneurs on a basis similar to the foreign concessions.[21] The larger and more strategically important enterprises would remain part of

[16] See pp.78-79 of this thesis.
[17] See the preamble to 'Nakaz SNK o Provedenii v Zhizn' Nachal Novoi Ekonomicheskoi Politiki' (Order of SNK on Implementing the Beginning of the New Economic Policy'), *Dekrety Sovetskoi Vlasti,* vol.18 (Moscow, 2009), pp.92-93.
[18] 'Nakaz SNK o Provedenii v Zhizn...', pp.92-93.
[19] 'Postanovlenie... ob Obmene', pp.170-171.
[20] 'Nakaz SNK o Provedenii v Zhizn', pp.92-99.
[21] 'Nakaz SNK o Provedenii v Zhizn...', p.95.

Vesenkha. However these would also have to learn how to run themselves on a commercial basis. Under a new policy of khozraschet, often translated as commercial accounting, they were now responsible for sourcing their own raw materials, and selling their produce for a profit.[22] Lenin argued that the harsh reality shock would shake their managers out of apathy and force them to become as productive and efficient as a private entrepreneur:

> The proletarian state must become a cautious, assiduous and shrewd "businessman", a punctilious *wholesale merchant*—otherwise it will never succeed in putting this small-peasant country economically on its feet.[23]

By August the Soviet leadership was starting to view this series of changes as a deeper and more fundamental shift in their overall approach to economic issues. They began referring to a 'New Economic Policy'. The decree introducing khozraschet, for example, was entitled 'Order on Implementing the Beginning of the New Economic Policy'.[24]

The Concept of NEP

The way the NEP emerged shows there is a need to question the traditional historiographical tendency marking 1921 as a sharp u-turn in how the Bolsheviks approached economic questions. What came to be the NEP was initially just an intention to reawaken the dormant tax in kind policy.[25] However, on adopting it, the leaders realised that it had

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[22] 'Nakaz SNK o Provedenii v Zhizn...', p.94-95. As for those that neither the state nor the private sector wanted to exploit, these were to be simply shut down. Khozraschet is an abbreviation of *khoziaistvennyi raschet.*

[23] Lenin, 'Fourth Anniversary of the October Revolution', 18th October 1921, *Collected Works,* vol. 33, p.59. See also Lenin, 'Ninth All-Russian Congress of Soviets' (23-28th December 1921, *Collected Works,* vol. 33, p.171) where he talks about the necessary hardships involved in learning to compete with the capitalist: "It is a very serious lesson, and we must all learn it. It is an extremely harsh one, not like listening to lectures or passing examinations. We are up against a difficult problem, a stern economic struggle, in circumstances of poverty, in circumstances of unparalleled difficulty, a bread shortage, famine and cold; this is the real school and we must graduate from it". On the logic behind khozraschet also see also Siegelbaum, *Soviet State and Society,* p.100; A. Nove, *An Economic History of the USSR,* 3rd ed. (London, 1992), p.83.

[24] 'Nakaz SNK o Provedenii v Zhizn...', p.92.

[25] Several scholars have implied that Lenin introduced a fully-formed NEP at the Tenth Party Congress. For example A.G. Meyer, *Leninism* (Cambridge, Massachusetts, 1957),

implications for other areas of policy, which also had to be reformed, and so on, until the changes affected most areas of the economy.[26] The changes themselves were in many senses not new.[27] The tax in kind had been made official policy in October 1918. As for petty trade, state authorities had been increasingly tolerating it, albeit implicitly, for several years prior to 1921, in the form of bagging and the black market.[28] The idea of the state itself engaging in trade can be traced to the emergence of Vneshtorg in mid-1920.[29] Finally, the concept of letting enterprises out to capitalists had a clear precedent in the concessions policy, which had been in the pipeline since early 1918.[30]

Many historians have emphasised a clear break between the so-called 'War Communist' economy and the NEP on the basis that under the former, the Bolsheviks outlawed private trade, and under the latter, they reintroduced it. Indeed many place the privatisation of commerce at the centre of their definitions of the NEP.[31] However, the Bolshevik leadership had never expressly nationalised trade during their first years in power. They had only sought to eliminate the individual petty speculator. As for more solid private and co-operative organisations, they had consistently tried to harness and utilise these wherever possible.[32]

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p.187; A.B. Ulam, *Lenin and the Bolsheviks: The Intellectual and Political History of the Triumph of Communism in Russia* (London, 1965), p.475; A. Markevich and M. Harrison, 'Great War, Civil War and Recovery: Russia's National Income, 1913-1928', *The Journal of Economic History*, 71 (3), 2011, p.688.

[26] The piecemeal nature of the reforms, is, however, acknowledged in the following works: A.M. Ball, *Russia's Last Capitalists: The Nepmen, 1921-1929* (Berkeley, 1987), pp.17, 21; J. Hessler, *A Social History of Soviet Trade* (Princeton, 2004), pp.103, 113; Banerji, *Merchants and Markets,* pp.104-105; L.T. Lih, *Bread and Authority in Russia, 1914-1921* (Berkeley, 1990), pp.213-230; E.H. Carr, *The Bolshevik Revolution, 1917-1923,* vol. 2 (Harmondsworth, 1966), chs. 18 and 19; S.A. Smith, *Russia in Revolution: An Empire in Crisis, 1890-1928* (Oxford, 2017), p.264; Siegelbaum, *Soviet State and Society,* p.85; S.F. Cohen, *Bukharin and the Bolshevik Revolution: A Political Biography* (New York, 1971), p.106.

[27] Cohen (*Bukharin,* p.124) and Nove (*An Economic History,* pp.79-80), for example overemphasise the novelty of the changes.

[28] See pp.114-117 of this thesis.

[29] See pp.150-152 of this thesis.

[30] See pp.153-156 of this thesis.

[31] See for example S. Farber, *Before Stalinism: The Rise and Fall of Soviet Democracy* (Cambridge, 1990), p.195; Smith, *Russia in Revolution,* p.264; Nove, *An Economic History*, p.81; R.W. Davies, 'Introduction' in R.W. Davies (ed.), *From Tsarism to the New Economic Policy: Continuity and Change in the Economy of the USSR* (London, 1990), p.23.

[32] See Chapter 2 of this thesis, especially pp.95-105.

Conversely, commerce actually became more statised from 1920 onwards, as Lenin forced the state itself to learn to trade.

For Lenin, the question of whether commerce should be run by the state or the private sector in the short term was merely a pragmatic one, depending on his understanding of the economic situation at the time. His main underlying concern was the same throughout his time in power: that whoever conducted it should be carefully controlled by conscious forces.

Controlling the Private Trader

In this respect Lenin's response to the upsurge of bagging in 1921 is characteristic. He argued that allowing the population greater freedom to exchange goods would give the state the means to channel traders away from the black market back into transparent and controllable forms, like shops:

> We must foster "proper" trade, which is one that does not evade state control; it is to our advantage to develop it.[33]

Lenin admitted the issue was ideologically complex, as for Bolsheviks there could be no truly 'proper' private trade, as capitalism was by definition profiteering. He explained that, for the time being, the party needed to allow types of profiteering that could benefit the economy, in order to wipe out the underground forms and outright theft:

> ...profiteering, in its politico-economic sense, *cannot* be distinguished from "proper" trade. Freedom of trade is capitalism; capitalism is profiteering. It would be ridiculous to ignore this.
>
> What then should be done? Shall we declare profiteering to be no longer punishable?
>
> No. We must revise and redraft all the laws on profiteering, and declare all *pilfering* and every direct or indirect, open or concealed

[33] Lenin, 'The Tax in Kind', p.357.

evasion of state control, *supervision and accounting* to be a punishable offence (and in fact prosecuted with redoubled severity).[34]

The Kremlin set about creating a legal code to provide a comprehensive guide to what constituted 'proper' trade as opposed to profiteering. The result would be the Civil Code, published in January 1923. This, together with the Criminal Code of the previous year, were the first standardised sets of laws in Soviet Russia. On coming to power, the party had abolished formal legal codes and argued that the proletariat, as the new ruling class, would dispense justice using their revolutionary consciousness to guide them.[35] Each region was to set up Peoples' Courts and Revolutionary Tribunals, staffed with untrained workers who would vote on each case.[36] Then, as leaders' moods shifted towards more militarised and coercive forms of rule from spring 1918, the Cheka took over, exercising justice through arbitrary arrests and summary executions.[37] Meanwhile Sovnarkom tried to restore order through passing increasing numbers of decrees, though these were often ignored by or poorly communicated to local authorities. In such a lawless environment the population naturally sought to hide from the state when engaging in trade, for fear of arbitrary repression. The Kremlin sought to

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[34] Lenin, 'The Tax in Kind', p.357.

[35] This attitude to law is characterised in N.I. Bukharin, E.A. Preobrazhenskii, *The ABC of Communism* (Harmondsworth, 1969), p.273: "the laws of the proletarian State have as yet merely been outlined, and will never be committed to paper in their entirety. The workers do not intend to perpetuate their dominion, and they therefore have no need for endless tomes of written laws".

[36] Though in reality many local courts continued to be staffed by Justices of the Peace of the Provisional Government, and old Imperial law codes continued to be applied widely: A.B. Retish, 'Judicial Reforms and Revolutionary Justice: The Establishment of the Courts System in Soviet Russia, 1917-22', in C. Read, P. Waldron and A. Lindenmeyr (eds.), *Russia's Home Front in War and Revolution. Book 4: Reintegration - The Struggle for the State* (Bloomington, 2018); A.B. Retish, 'Revolutionary Law as a Stabilizing Force?: People's Courts in the Early Soviet Years', unpublished paper delivered at the 49th Convention of ASEEES, 10th November 2017.

[37] On the changing Soviet systems of justice before 1922 see J. Burbank, 'Lenin and the Law in Revolutionary Russia', *Slavic Review,* 54 (1), 1995; M. Rendle, 'The Battle for Spaces and Places in Russia's Civil War: Revolutionary Tribunals and State Power, 1917-1922', *Historical Research Journal,* 90 (247), 2017, pp.101-116; M. Rendle, 'Revolutionary Tribunals and the Origins of Terror in Early Soviet Russia', *Historical Research,* 84 (226), 2011; P.H. Solomon, *Soviet Criminal Justice Under Stalin* (Cambridge, 1996), pp.17-25; R. Sharlet, 'Pashukanis and the Withering Away of Law in the USSR', in S. Fitzpatrick (ed.), *Cultural Revolution in Russia, 1928-1931* (Bloomington, 1984), pp.169-170; P. Beirne and R. Sharlet, 'Introduction', in P. Beirne and R. Sharlet (eds.) *Pashukanis, Selected Writings on Marxism and Law* (London, 1980), pp.11-13; P.H. Juviler, *Revolutionary Law and Order: Politics and Social Change in the USSR* (New York, 1976), p.16.

remedy this through the new Civil Code. This set out a universal system of property rights, contract law, fair business practice and conditions of exchange similar to western law.[38] The aim was that a transparent legal system would inspire trust and respect among traders, encouraging them to come out from the underground and co-operate with the state.[39]

At the same time, the Bolshevik leadership also viewed the new laws as a weapon against the traders, a safeguard against them becoming too rich and powerful.[40] Ambiguous clauses were inserted into both the Civil and Criminal Codes prohibiting individuals from "harming the state", allowing law enforcers the flexibility to clamp down on any otherwise legal activity it considered suspicious.[41] Lenin was quite clear that the courts should interpret the laws in the interests of the state and not the trader:

> ...our court is a proletarian one, and it can watch each private businessman in order to see that the laws are not interpreted for them as in bourgeois states.[42]

This reflected a longstanding belief among Marxists that law always served as a tool of the ruling class to protect its position. Under liberal regimes it existed to legitimise and consolidate the wealth of the bourgeoisie over the masses by protecting their property.[43] Consequently,

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[38] Hessler, *A Social History,* p.113.
[39] Ball, *Russia's Last Capitalists,* p.23; Hessler, *A Social History,* p.113; Solomon, *Soviet Criminal Justice,* p.26.
[40] Ball, *Russia's Last Capitalists,* p.32; Hessler, *A Social History,* pp.113-114; Solomon, *Soviet Criminal Justice,* pp.30-34.
[41] Ball has noted that Article 30 of the Civil Code warned that all business transactions "harmful to the state" were to be declared null and void (*Russia's Last Capitalists,* p.23). In a similar vein, I. Lapenna has noted that Article 1 states that civil rights "were protected by law unless exercised in contradiction to their social and economic purposes" ('Lenin, Law and Legality', in L. Schapiro, P. Reddaway and P. Rosta (eds.) *Lenin: The Man, the Theorist, the Leader: A Reappraisal* (London, 1967), p.262. Lapenna also noted that a set of 'Guiding Principles', issued by the Soviet leadership in 1919 and remaining valid until 1958, defined a crime as any socially dangerous act against the state (pp.260-261). There were similar articles in the Criminal Code. For example Article 6 of the 'General Part II' states: "A crime is defined as any socially harmful action or lack of action, undermining the foundations of the Soviet system and of law and order..." (*Ugolovnyi Kodeks RSFSR Redaktsii 1922 goda:* http://www.law.edu.ru/norm/norm.asp?normID=1241523&subID=100096269,100096271,100096275,100096284#text [accessed 11.02.2019]).
[42] Lenin, 'Ninth All-Russian Congress', p.171.
[43] On Bolshevik views of law as inherently subjective see Burbank, 'Lenin and the Law', p.43; H.J. Berman, *Justice in the USSR: An Interpretation of Soviet Law*, 2nd ed.

many Bolsheviks believed that in a Proletarian Dictatorship it was only natural that the law be used to serve the interests of the workers. Bukharin summed up this viewpoint:

> In the old law-courts, the class minority of exploiters passed judgement on the working majority. The law-courts of the proletarian dictatorship are places where the working majority passes judgement upon the exploiting minority.[44]

Thus the Bolshevik leadership viewed its new legal policy as a useful tool to control the private trader. First it would entice him to come out into the open and play by the rules, then it would trap him under bright lights, placing all his activities under observation, and manipulating them to fit the needs of the state.

Another way the Bolshevik leadership aimed to regulate traders was through licensing.[45] As of July 1921, anyone wishing to engage in trade, whether through opening a shop or a kiosk, or just from a stall or tray at the market, had to receive a permit from their local soviet.[46] In order to do so the candidate needed to present extensive documentation, including proof of identity and address, proof of completing military service for men between 18 to 40, and evidence that any debt, tax or otherwise, to the government had been paid in full. The applicant was also required to indicate the type of goods they wished to trade in. Through the licensing system Sovnarkom aimed simultaneously to procure ample information on individuals involved in trade while removing any 'undesirable types' from the occupation. Among the latter

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(Cambridge, Massachusetts, 1963), p.26; Solomon, *Soviet Criminal Justice,* p.18; Juviler, *Revolutionary Law and Order,* p.17; Lapenna, 'Lenin, Law and Legality', pp.241-242, 250; Sharlet, 'Pashukanis', pp.172-173; J.N. Hazard, 'Soviet Law: The Bridge Years, 1917-1920', in W.E. Butler (ed.), *Russian Law: Historical and Political Perspectives* (Leyden, 1977), pp.235-236.

[44] Bukharin and Preobrazhenskii, *The ABC of Communism*, p.272.

[45] Y. Kotsonis, *States of Obligation: Taxes and Citizenship in the Russian Empire and Early Soviet Republic* (Toronto and London, 2014), p.334. Kotsonis notes that using a system of licenses had been common practice under the Tsarist regime ever since the 1820s as a way of keeping tabs on traders. Thus the Bolsheviks were reverting to an old method.

[46] 'Instruktsiia... o Poriadke Otkrytiia', pp.131-133.

it included children, as applicants had to be sixteen to be eligible for a permit.[47]

Like the majority of Soviet residents, many children growing up in the crisis, especially orphans, had been forced to join the ranks of the baggers and peddlers to survive.[48] This filled the old socialist intelligentsia, with their moral prejudices against trading, with horror. In spring 1918 a Perm' schoolteacher complained to his local newspaper:

> Pupils play at cards.... the older ones speculate, on everything imaginable: on tobacco, sugar, on gold, on guns and even... on pickled cabbage. What happened to that bright and clean youth, who fought for the noble idea of socialism?![49]

For the Bolshevik leadership, the moral corruption of children through trade was a particularly disturbing idea. According to their theories, the children of the day would grow up to be the harbingers of socialism. Thus their upbringing was of crucial importance. Old Bolshevik Olga Kameneva raised her concerns in a long article 'On the Question of Child Speculation', published on the front page of *Izvestiia*:

> ...I would like to point to the necessity of organising widespread protests among teachers, youths and mothers, against parents who condemn their children through pushing them on the path to speculation. Every honest person alive must rise up against this scourge which condemns the honour of the new generation. And at what a time! When all is being done in the name of the future human, when previously unheard of possibilities are being put into place for the formation of their personality.[50]

Through asserting a system of licenses which disqualified under sixteen year olds from trade, the Bolsheviks aimed to end this 'scourge' and keep the honour and morality of the future generation intact.

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[47] 'Instruktsiia... o Poriadke Otkrytiia', p.132.
[48] Narskii, *Zhizn' v Katastrofe,* p.477.
[49] Quoted in Narskii, *Zhizn' v Katastrofe* p.479.
[50] *Izvestiia*, no.234, 19th October 1919, p.1.

Overall, the strategies of using legal codes and licensing to bring the private sector under state supervision proved unsuccessful. The trading world was slow to respond to the new rules. Many did not trust their local authorities and feared that the offer to officially register was a ruse that would lead to their arrest.[51] It was not until 1922 that large numbers started to establish themselves as legal businesspeople and open shops.[52] As some bagmen opened shops, many others became their customers, and the need for bagging declined significantly.[53] However, the Soviet government was unable to wipe it out fully, and it continued to happen throughout the 1920s, flaring up in times of shortage.[54]

As for those who did set up businesses, the new laws did not give them a clear understanding of what constituted 'proper' trade. Moscow was swamped with complaints from throughout the republic, both from traders and the authorities supposed to regulate them, that the new rules were confusing.[55] For example, a clause in the Criminal Code stated that anyone who deliberately withheld goods from the market in order to increase their price was to be punished by six months imprisonment, confiscation of part of their property, and loss of their license to trade. If interpreted strictly, this could exclude traders from their profession merely for seeking the best buyer for their goods.[56]

In some regions local authorities continued to rule as they had up to now, ignoring central instructions completely and imposing their own regulations on commerce. Some refused to allow private trade at all.[57] Others subjected the new generation of shopkeepers to the same kinds of arbitrary taxes and requisitions which had ruined the old generation.[58] Meanwhile the Cheka, despite having been reformed and renamed GPU (*Gosudarstvennoe Politicheskoe Upravlenie:* State Political Directorate),

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[51] Ball, *Russia's Last Capitalists,* p.90.
[52] Ball, *Russia's Last Capitalists,* pp.34, 90; Banerji, *Merchants and Markets,* p.42.
[53] Ball, *Russia's Last Capitalists,* p.90.
[54] Banerji, *Merchants and Markets,* pp.130, 140, 143.
[55] Ball, *Russia's Last Capitalists,* pp.32-33.
[56] Article 137, *Ugolovnyi Kodeks RSFSR*. Ball comes to a similar conclusion about a vague anti-speculation decree issued by *Sovnarkom* in July 1921 (*Russia's Last Capitalists,* p.33).
[57] Ball, *Russia's Last Capitalists,* p.34.
[58] Ball, *Russia's Last Capitalists,* pp.33-35.

in a bid to create a more law-abiding and restrained form of state security, remained difficult for the centre to rein in and its local agents continued to harass and randomly arrest traders.[59]

As a result, the traders who had embraced the new opportunities provided by the reforms quickly found they had little more certainty in tomorrow than they had had in previous years. Consequently most continued to embrace underground methods in order to evade the attention of the state. Among the more enterprising this created a new generation of semi-licit businessmen of the 'wheeler-dealer' kind. They worked in secret, sniffing out where quick fortunes could be made, then switching to an entirely different field of enterprise to keep one step ahead of the GPU.[60]

The Bolshevik leadership quickly gave up on the idea that they could regulate the individual private trader.[61] They soon came to view him as they had the bagman, as a necessary but uncontrollable force, an element which inevitably lived outside of the rule of law.[62] Just as 1917 had had its 'speculators' and 'profiteers', and the civil war had had its 'bagmen', by autumn 1922 a pejorative nickname had become widespread for the trader of the new times, the 'nepman'.[63] The term

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[59] On the Cheka/GPU reform see Lapenna, 'Lenin, Law and Legality', pp.255, 258. On the GPU's continued harassment of traders: Ball, *Russia's Last Capitalists,* p.25.

[60] B. Sederholm, *V Razboinom Stane (Tri Goda v Strane Kontsessii i "Cheki"), 1923-1926* (Riga, 1934), pp.47-48. Sederholm, a Russian emigrant working for a Brazilian leather firm, was sent to Petrograd in 1923 to sell a batch of goods to the Soviet state. On becoming acquainted with the NEP commercial world he noted that traders could only become commercially successful through evading the law. For a (fictional) account of a NEP 'wheeler-dealer' type see I. Ehrenburg, 'Rvach' (The Grabber), in *Sobranie Sochinenii v Deviati Tomakh*, vol. 2 (Moscow, 1962-1967). The anti-hero of the novel, Mikhail Lykov, goes from selling stamps (ostensibly for charity) in Odessa, to selling the sheep of one state enterprise to another in Moscow, then finally buying up silk in Berlin to sell to the state back in Russia, before being arrested. On this topic also see Ball, *Russia's Last Capitalists,* pp.35, 39; Banerji, *Merchants and Markets,* p.89.

[61] Lenin's failing health, and consequently, political influence, should also be noted as a factor.

[62] A question posed by Rabkrin chief Varlaam Avanesov to his subordinates about the state's use of commercial intermediaries is telling in this respect: "Is the middle-man a state commission organ, or a private enterprise or individual *working outside government control*? (my italics): TsGA SPb, f.8, op.1, d.2093, Ll.386-387: Communication from Avanesov to all heads of local Rabkrin organs: "About private mediation", 19th March 1923.

[63] In Russian: *nepman* (plural *nepmany*). Some early examples of the term 'nepmen' being used: Lenin, 'Interview with Arthur Ransome', *Collected Works,* vol.33, pp.400-409. In this interview, which took place between 27th October and 5th November 1922, the term is used frequently by both Lenin and Ransome; L.B. Krasin, 'Novaia

'nepman' initially just referred to private traders guilty of abuse and misdeeds, but , like 'speculator', soon became used to stigmatise all private traders.[64] Whenever the leadership felt the nepman was becoming too powerful, they simply lashed out with bursts of mass repression against all traders, irrespective of their activities.[65] The first big crackdown came at the end of 1923 and lasted throughout the following year, largely motivated by the conspicuous wealth of the most successful entrepreneurs and as a bid to fight rising prices on consumer goods.[66] During this period 300,000 private businesses were shut down, and big cities were repeatedly purged of traders. In December 1923 alone over one hundred thousand of them were expelled from Moscow.[67] Meanwhile their children were systematically expelled from schools and universities.

Controlling the State Trader

Unable to regulate the private trader effectively, the Central Committee decided to focus its attention on state capitalism instead. It wanted to ensure that khozraschet officials were really using the new commercial methods to serve the Soviet cause, and not their own pockets. This was a sphere the leadership felt much better placed to assert control over, as Lenin said at the Eleventh Party Congress in spring 1922:

Ekonomicheskaia Politika i NEP' (The New Economic Policy and NEP) (RGAE, f.413, op.2, d.1231, ll.72-73). In this article from the following year Krasin describes 'nepmen' as a perversion of the NEP.

[64] Lenin, 'Interview with Arthur Ransome', p.406. When Ransome used 'nepman' as a neutral term for the private trader, Lenin explained that it was a pejorative epithet that did not belong to the "realm of serious political economy". He went on to explain that although 'nepman' literally just meant a representative of the NEP, it was tainted as it had started off as a press nickname for the "small huckster, or individual who took advantage of the free market for all sorts of abuses". On the concept of the nepman also see Banerji, *Merchants and Markets,* p.ix, Ball, *Russia's Last Capitalists,* p.xvi; S. Fitzpatrick, 'The Problem of Class Identity in NEP Society', S. Fitzpatrick, A. Rabinowitch, and R. Stites (eds.) *Russia in the Era of NEP: Explorations in Soviet Society and Culture* (Bloomington, 1991), pp.18-19; Siegelbaum, *Soviet State and Society,* pp.98-99; R.W. Pethybridge, *One Step Backwards, Two Steps Forward: Soviet Society and Politics in the New Economic Policy* (Oxford, 1990), p.70.

[65] Ball, *Russia's Last Capitalists,* pp.40-41.

[66] Ball, *Russia's Last Capitalists,* pp.40-56. In 1925 leaders returned to a more lenient course, largely due to Bukharin and Stalin's 'right' faction emerging victorious. Then, 1926 saw the beginning of a merciless shutdown of the private sector as the political mood swayed away from the NEP towards forced industrialisation.

[67] For the details of this crackdown see Ball, *Russia's Last Capitalists,* p.39; Banerji, *Merchants and Markets,* p.47.

> State capitalism is capitalism which we shall be able to restrain, and the limits of which we shall be able to fix.[68]

The Soviet government had a narkomat specifically devoted to regulating other parts of the state. This was the Workers' and Peasants' Inspectorate (*Raboche-Krest'ianskaia Inspektsiia*, henceforth Rabkrin).[69] Sovnarkom had founded Rabkrin back in February 1920 in a bid to resolve two issues which had arisen from the expanding Soviet bureaucracy.[70] The Central Committee needed hundreds of thousands of administrators to run the state but it could find precious few cadres who were both competent and loyal. Instead the majority of posts had to be filled either with headstrong communists, whose wartime mentality was inappropriate for regular administrative work, or 'bourgeois' specialists, who lacked commitment to the soviet cause.[71] The decree founding Rabkrin charged it with overseeing all these civil servants, ensuring they executed the instructions of the state fully and effectively:

> With the expansion of the economic and administrative tasks facing the Soviet government, on State Control... is placed the responsibility for the extremely important, difficult task of supervision and control, ensuring the quick and effective implementation of the decrees and resolutions of the Soviet government in all areas of economic and administrative administration.[72]

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[68] Lenin, 'Eleventh Congress of the RCP(b)', p.278.
[69] Indeed, before it was renamed Rabkrin it was directly called 'the Narkomat for State Control' (*Narkomat Gosudarstvennyi Kontrol')*: E.A. Rees, *State Control in Soviet Russia: The Rise and Fall of the Workers' and Peasants' Inspectorate, 1920-1934* (New York, 1987), p.15.
[70] On the establishment of Rabkrin and its pre-history see Rees, *State Control,* pp.12-25.
[71] According to contemporary commentators, many 'civil war generation' communists, used to operating in crises, believed that their party membership gave them unquestionable authority over ordinary citizens in all matters, even where they lacked any training or expertise. Lenin called this trait *komchvanstvo* (*kommunisticheskoe chvanstvo* - communist arrogance) ('Eleventh Congress of the RCP(b)', p.275). Also see D.J. Raleigh, *Experiencing Russia's Civil War: Politics, Society and Revolutionary Culture in Saratov, 1917-1922* (Princeton, 2002), p.108; S. Pirani, *The Russian Revolution in Retreat, 1920-24: Soviet Workers and the New Communist Elite* (London, 2008), pp. 44-45.
[72] 'Polozhenie o Raboche-Krest'ianskoi Inspektsii' (Ruling on the Workers' and Peasants' Inspectorate), *Dekrety Sovetskoi Vlasti,* vol.7 (Moscow, 1975), p.212.

The other purpose of Rabkrin was to do with the role of the working class in state administration. The whole raison d'etre of the Bolshevik revolution had been to bring the proletariat to power. Lenin had repeatedly promised that the masses would become the overseers of the state.[73] However, the coagulation of the soviet government into a hierarchical, professional bureaucracy left most workers increasingly alienated from political processes.[74] One of Rabkrin's responsibilities was to recruit workers and peasants en masse and install them in the corridors of power, where they would observe state administration in practice, preparing them for more hands-on participation in the future.[75] As the decree went on to say:

> This task [i.e. supervision and control] can only be fulfilled through attracting to the business of state control the broad worker-peasant masses, which at the same time creates the possibility of training them and preparing them for the business of directing the state apparatus.

Rabkrin's practical work was to include supervising policy implementation and evaluating its effectiveness, fighting red-tape, ensuring the observance of laws, dealing with public complaints about official abuses, and developing new methods to streamline administration.[76] To conduct this it would employ a core staff of permanent inspectors.[77] These were permitted to carry out flying investigations on any state organ and could also be installed within them on a longer-term basis.[78] It was also to have at its disposal a large reserve of workers and peasants, elected to become members of Rabkrin by their work colleagues.[79] Rabkrin could delegate any of these members to take part in its investigations, or keep them in their usual workplaces to supervise activities there. Sovnarkom's

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[73] See, for example, pp.45-49 of this thesis.
[74] Pirani, *The Russian Revolution,* ch.1; S. Fitzpatrick, *The Russian Revolution,* 3rd ed. (Oxford, 2008), p.92.
[75] Rees, *State Control,* pp.12-13, 23.
[76] Rees, *State Control,* p.14; 'Polozhenie o Raboche-Krest'ianskoi Inspektsii', p.213.
[77] Rees, *State Control,* pp.25, 27.
[78] 'Polozhenie o Raboche-Krest'ianskoi Inspektsii', p.213.
[79] On the system of delegating members see Rees, *State Control,* p.27; 'Polozhenie o Raboche-Krest'ianskoi Inspektsii', p.214.

hope was that over time, all the masses would become involved in Rabkrin, and thus learn the basics of running the government.

To lead Rabkrin, Sovnarkom appointed political centrists who militantly opposed bureaucratisation and red-tape while accepting the general need to build a strong and pervasive state apparatus.[80] As Narkom it selected Stalin, whose predilection for efficient centralised rule would become infamous in later years. In reality Stalin had little time to devote to this organ, being simultaneously a member of the Central Committee bureau, Narkom for Nationalities, and from 1922, General Secretary of the party. The de-facto head of Rabkrin was his deputy, Varlaam Avanesov. Avanesov was a loyal and obedient follower of Lenin, which allowed the latter an active role in shaping the new Commissariat.[81] Avanesov also had a reputation among his comrades for being principled, hardworking and incorruptible, making him an ideal choice for directing control work.[82] Lenin tasked Avanesov with studying the latest western administrative methods to become an expert in streamlining bureaucracy. In sending Avanesov abroad to treat his chronic tuberculosis in 1922, Lenin assigned him some homework:

> You need to find both German and American literature. Collect everything of value, especially concerning normalising bureaucratic work... In my opinion, our priority should be to learn from Europe and America... Perhaps in Scandinavian countries something useful will turn up too.[83]

Thus, in Avanesov, the Central Committee, and in particular, Lenin, felt they had a loyal and ferocious guard dog ready to sniff out inefficiency and abuse in the burgeoning soviet apparatus.

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[80] Rees, *State Control,* pp.25, 28.
[81] On loyalty to Lenin: S.U. Sarkisian (ed.), *Avanesov V.A.: Stat'i, Dokladi, Materiali* (Yerevan, 1985), Introduction and Part 1. Part 1 is a compilation of letters, notes and telegrams sent by Lenin to Avanesov. These suggest Lenin often drafted and edited Avanesov's speeches and articles, (pp.17-20) and even instructed him how to behave in meetings (p.23).
[82] Sarkisian (ed.), *Avanesov,* Introduction and pp.341, 343 (obituaries on his death in 1930). Also see S.I. Liberman, *Building Lenin's Russia* (Chicago, 1945), p.39.
[83] Sarkisian (ed.), *Avanesov*, pp.7, 30-31.

After the Kremlin forced the state economy to adopt commercial methods from August 1921, it increasingly directed Rabkrin's attention to ensuring the new capitalism stayed within strict limits. Nine days after the introduction of khozraschet, the VTsIK instructed Rabkrin to "focus mainly, and as a first priority, on the economic organs of the republic".[84] The following month the Rabkrin chiefs set out a new programme for their commissariat as it adapted to the NEP. It now considered one of its most important tasks to monitor state enterprises in their relations with the private sector.[85] Then, in March 1922 the VTsIK gave Rabkrin extensive new powers allowing it to actively intervene in the running of enterprises. Hitherto its responsibilities had been limited to passively inspecting institutions and reporting back to the centre. Henceforth it could prohibit or halt any illegal decisions which brought harm to the state, impose penalties on offending officials, and demand the removal of those guilty of serious mismanagement.[86]

Thus, on paper the Kremlin had created an effective system to monitor the development of capitalism in the state-run economy. However, there were certain issues the policy-makers had not anticipated. Would the fact that khozraschet enterprises were part of the state make them any easier to regulate than the private trader? Who were Rabkrin supposed to recruit to do its bidding and what made these individuals any more reliable than the local officials who failed to assert effective control over the private sector? Finally, what guidelines had the centre offered these inspectors to determine which activities harmed the state and were these really relevant to the complex and mutable commercial world of the early 1920s?

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[84] 'Postanovlenie Prezidiuma VTsIK ob Usilenii Deiatetel'nosti Raboche-Krest'ianskoi Inspektsii' (Ruling of the VTsIK Presidium on Strengthening the Activities of the Workers' and Peasants' Inspectorate), *Dekrety Sovetskoi Vlasti,* vol.18 (Moscow, 2009), pp.198-199. This new focus on economic organs has been noted in A.G. Dianov, 'Preodelenie Krizisa v Raboche-Krest'ianskoi Inspektsii v Period Stanovleniia NEPa', *Omskii Nauchnyi Vestnik*, 3 (78), 2009, p.13.

[85] Rees, *State Control,* p.33. Then, on 9th January 1922 VTsIK passed an additional decree emphasising Rabkrin's responsibility for supervising state enterprises: 'Polozhenii o Narodnom Komissariata Raboche-Krest'ianskoi Inspektsii' (Ruling on the People's Commissariat of the Workers' and Peasants' Inspectorate). Dianov, 'Preodelenie Krizisa', p.13; Rees, *State Control*.

[86] Rees, *State Control,* p.34.

Part Two: Case Study of Rabkrin Inspections of Petrograd Foreign Trade Institutions

With its reputation as a hotbed of corruption, the foreign trade system had quickly become one of Rabkrin's main concerns. Acting on widespread complaints regarding its "criminal nature" in 1920, Avanesov had launched a full-scale investigation into Vneshtorg's activities. This found the accusations to be fully justified, and also revealed "huge chaos" in the organ's processes.[87] In February 1921 Rabkrin created a whole new division, the Inspectorate of External Relations, allowing it to provide constant supervision over foreign trade.[88] As Vneshtorg adapted to the new commercial climate of the NEP, it would become an area of even greater concern for the inspectors.

Vneshtorg meets NEP

As the state-run economy was forced to exist on a commercial basis, its agents felt increasingly restricted by Vneshtorg's monopoly over all overseas trade. Every organ had extensive lists of items it needed from overseas. Some also had excess raw materials which they wanted to sell abroad for the best price. They did not trust Krasin's narkomat to deal with these matters effectively and resented having to go through it.[89] For one thing, they held it to be highly disorganised. From the end of 1921 the Council of Labour and Defence started to be swamped with letters from state enterprises complaining about Vneshtorg's inefficiency. A

[87] Sarkisian (ed.), *Avanesov,* p.179.
[88] GARF, f.R-4085, op.18, d.20, l.6: Letter from the Head of the Department of External Relations to Deputy of RKI Avanesov, 21st March 1921; l.9: 'Ruling on the Department of External Relations of the Narkomat of RKI', N.D.; l.17: Letter from the Administration of the Financial Inspectorate on dividing its functions with the Inspectorate of External Relations, 17th March 1921. These documents reveal that although the new Inspectorate was created to supervise some parts of Narkomindel, its main focus was to be on Vneshtorg. For example l.9 states: "The Department of External Relations has the aim of control and supervision over all of NKVT, as well as parts of NKID"(NKID = Narkomindel).
[89] For the various complaints levelled at Vneshtorg, see Krasin's defence in his article 'Monopoliia Vneshnei Torgovli i Kapitalisticheskii Mir' (The Monopoly of Foreign Trade and the Capitalist World), in *Voprosi Vneshnei Torgovli,* 2nd ed. (Moscow, 1970), pp.64-75 (A version of this article was published in *Izvestiia*, no.21, 26th January 1924, p.2, under the title 'Vladimir Il'ich i Vneshniaia Torgovlia' (Vladimir Il'ich and Foreign Trade).

characteristic case was that of the Union of State Battery Factories who complained in February 1922 that it had been waiting almost five months for Vneshtorg to respond to its urgent request for potash, vital for its operations which included orders from the Red Army. The Union had sent Vneshtorg several letters and telegrams trying to chase up the request but to no avail.[90] Delays aside, economic agents also wanted to buy and sell their goods abroad themselves using their own industry specialists who knew how to get the best quality and the best price, rather than leaving them to indifferent and amateurish Vneshtorg bureaucrats.[91] Many ultimately came to see Vneshtorg as a parasite, which fed off the fees its users had to pay while offering nothing useful in return. On top of everything else rumours spread that all the staff right up to Krasin himself were abusing their power to line their pockets. Critics started to refer to Vneshtorg as "Krasin's own little store".[92]

By the end of 1921, economic organs started to call for the abolition of the monopoly.[93] The demand was met with sympathy among many Bolshevik leaders.[94] The campaign for freer foreign trade was adopted by none other than Bukharin, once the ringleader of the Left Communists but soon to become the most ardent champion of the NEP.[95] Bukharin was joined by two influential economic leaders, Georgii Piatakov, head of the Concessions Committee and of the coal industry in the Don basin, and Grigorii Sokol'nikov, one of the directors of Narkomfin. These critics of Vneshtorg's monopoly were backed by some of the most powerful figures in the party leadership, Stalin, Zinoviev and Kamenev. Up until now Krasin had been able to develop his monopoly in

[90] GARF, f.R-130, op.6, d.585, l.33: Communication from the Chairman of the Board of the United State Battery Factories to the Council of Labour and Defence, 21st February 1922. A similar case can be seen on l.37: Communication from the Chairman of the Central Commission for the Fuel Plan to the Council of Labour and Defence, March 1922. The commission complained that Vneshtorg was dragging out an urgent request to buy coal, firewood and seeds for Pomgol (*Pomoshch' Golodaiushchim*: 'Help for the Starving'), an organisation devoted to helping victims of the 1921 famine.
[91] Liberman, *Building Lenin's Russia,* p.166; T.E. O'Connor, *The Engineer of Revolution: L.B. Krasin and the Bolsheviks, 1870-1926* (Boulder, 1992), p.164.
[92] Liberman, *Building Lenin's Russia,* p.166.
[93] O'Connor, *The Engineer of Revolution,* p.160.
[94] On the leaders who proposed abolishing Vneshtorg's monopoly, see O'Connor, *The Engineer of Revolution,* p.162.
[95] Bukharin would become the strongest supporter of the policy from 1923 when his views on the subject became fully formed: Cohen, *Bukharin,* p.139.

peace, protected by Lenin's patronage. However, with the latter increasingly incapacitated from a series of strokes, Krasin was forced to fight. A struggle took place for an entire year between Krasin and a largely absent Lenin on the one hand, and a large proportion of the Politburo on the other.[96] Things came to a head only in December 1922, after the Central Committee finally went ahead and banned the monopoly. This in turn provoked forceful protests from both a bedridden Lenin and from Trotsky, who now entered the fray.[97] With the combined influence of both Lenin and Trotsky coming down firmly on Krasin's side, the party was forced to rescind its action.[98] For now Vneshtorg's monopoly was safe, but along the way it had been forced to make a concession. Agents of other economic organs were now, with Vneshtorg's permission in each case, allowed to access the foreign market directly.[99] Vneshtorg reverted to a predominantly regulatory and licensing, rather than operational, body, as it had been before 1920 when it had been the NarkomTiP. Ironically, despite having been the pioneer of Soviet state commerce, it now found itself pushed out of trading activities.

Vneshtorg was obliged to relinquish all its executive apparati, which became independent khozraschet agencies called gostorgi.[100] Vneshtorg granted these new enterprises part of its capital after which they had to become self-sufficient. They were to do this through buying goods abroad to sell at home and vice versa, on a commercial basis but within the state's import-export plan and under Vneshtorg's supervision.

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[96] On the details of this struggle see O'Connor, *The Engineer of Revolution,* pp.160-165, 170-171; 173-174.
[97] I. Deutscher, *The Prophet Unarmed. Trotsky: 1921-1929* (Oxford, 1970), pp.66-67.
[98] Krasin recounts this in his 1924 article 'Monopoliia Vneshnei Torgovli' to remind his opponents whose side Lenin had been on (pp.70-74). He does not however mention Trotsky.
[99] O'Connor, *The Engineer of Revolution,* pp.160-162. This compromise had been agreed at the Ninth Congress of Soviets back in December 1921, but critics of the monopoly consistently tried to push for further concessions. The policy was confirmed and clarified in decrees on the 13th March and again on the 16th October 1922.
[100] Full name 'Gosudarstvennaia Eksportno-Importnaia Kontora' (State Export-Import Bureau). Details of the split and the distinct roles assigned to Vneshtorg and Gostorgi are taken from GARF f.R-130, op.6, d.560, l.22: From 'Transcript of a Speech by Comrade Belen'ki on the Work of the Directorate of the Vneshtorg branch', from a meeting of Kraiekonomsovet, 5th October 1922. In it Belen'ki relates the developments from the centre to the economic council of the Kuban' region.

They were also to earn commission through acting as intermediaries to any organisations still requiring assistance to navigate foreign markets.[101]

Rabkrin found lots to be suspicious of in the new system. Gostorgi had a large amount of power over foreign trade due to their close relationship with Vneshtorg and their status as the state's preferred trading agent. At the same time they had plenty of opportunities to engage with the legally murky world of private enterprise. This opened the door to many possibilities for abuse.

The Situation in Petrograd

The Petrograd foreign trade sphere was a matter of serious concern to Rabkrin. By 1921 Petrograd port handled the lion's share of Soviet Russia's imports and exports making it the main gateway for foreign trade.[102] During the civil war, with the port blocked by British ships, the Petrograd branch of the NarkomTiP had just been one of Solomon's bases for sending smugglers across the nearby borders with Finland and Estonia.[103] According to Solomon, the management of this branch, appointed directly by Krasin, had left a lot to be desired. The first director had been an individual named Piatigorskii, who Solomon found to be an incompetent administrator and overly familiar with his subordinates,

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[101] GARF, f.R-130, op.6, d.414, l.2: 'Directive on the Petrograd State Trade Import-Export Bureau of NKVT 'Petrogostorg'', 1922; TsGA SPb, f.8, op.1, d.2093, l.248: From an annual report on Petrovneshtorg from K.M. Begge to Ekoso, 28th November 1922; TsGAIPD SPb, f.R-1127, op.1, d.7, l.12: A summary of a report by M. Landa about the reorganisation of Petrovneshtorg, 27th May 1922.

[102] RGAE f.413, op.2, d.534a, ll.2, 28, 36, 48: From 'Summary of the Foreign Trade of the RSFSR for June and between January-July 1921', by the Statistical-Accounting Department of the NKVT Transport-Material Administration. The statistics in this report show that in June 1921, for example, 96% of imports entered Soviet Russia via Petrograd and Yamburg (also under the jurisdiction of Petrograd's division of Vneshtorg). In July, Petrograd, Iamburg and Murmansk between them received 96.2% of total Soviet imports, with Petrograd receiving the lion's share (3,146,333 *pudy* out of 5,434,344). Then, for the period July-September 1922, 23,875,000 *pudy* (57,390,000 rubles) of goods were imported via Petrograd out of a republic-wide total of 42,640,000 *pudy* (109,190,000 rubles): GARF, f.R-130, op.6, d.560, l.16: From 'A Summary of the Activities of NKVT for July-September 1922'.

[103] 'O Deiatel'nosti Narodnogo Komissariata Torgovli i Promishlennosti' (On the Activities of the NarkomTiP), from a report given by the NarkomTiP at the Seventh Congress of Soviets, 5-9th December 1919, *Vestnik Narodnogo Komissariata Torgovli i Promyshlennosti*, nos. 17-24, September-December 1919, pp.25-30. This report mentions that the Petrograd department of the NarkomTiP was the first of these contraband agencies (*agentury*) to be set up.

while Krasin came to see him as "a real scoundrel".[104] After he displeased Zinoviev, who was head of the Petrograd Soviet, he was promptly dismissed.[105] Krasin replaced him with the actress Maria Andreeva, on the insistence of Zinoviev and also her family, with whom Krasin was close. Solomon claimed she was hardly an improvement as she left most of the work to her secretaries and, in his view, merely used the position to launch a career in the soviet administration.[106]

Following the lifting of the blockade in January 1920, Krasin set about reorganising the branch into a loyal and efficient agent of central policy ready to handle extensive foreign trade activity. In March he instructed his Deputy, Sheinman, to liquidate all smuggling activities being run from the Petrograd office, as the prospect of peace with the west rendered them obsolete, and also because the individual running them, Iankel'son, "appears untrustworthy anyway".[107] Following Krasin's reform of the NarkomTiP into Vneshtorg he ordered local officials to reorganise the branch into Petrovneshtorg, giving detailed instructions on its structure, sphere of jurisdiction and chain of command.[108] Krasin first appointed the Bolshevik economist and trade union expert Grigorii Tsiperovich to head up Petrovneshtorg, in order to lend it an air of respectability and authority. However, Tsiperovich was soon called away to participate in a trade union commission at the Second Comintern Congress.[109] His replacement was Karl Begge, a Latvian former metal-worker with only an elementary level of education, but a long party history and a reputation for being a good administrator.[110]

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[104] G.A. Solomon, *Sredi Krasnykh Vozhdei: Lichno Perezhitoe i Videnoe na Sovetskoe Sluzhbe*, vol.1 (Paris, 1930), p.293.
[105] Solomon, *Sredi Krasnykh Vozhdei,* vol.1, pp.293-294.
[106] Solomon, *Sredi Krasnykh Vozhdei,* vol.1, pp.294, 297-298.
[107] RGAE f.413, op.2, d.372, l.8: Letter from Krasin to Sheinman, 29th March 1920.
[108] RGAE f.413, op.2, d.372, ll.17-18: List of instructions concerning Petrovneshtorg's jurisdiction, written by Krasin, 1920.
[109] RGAE f.413, op.2, d.372, l.27: Letter from Tsiperovich to Sheinman, 29th May 1920, in which Tsiperovich informs Sheinman of his imminent departure. On Tsiperovich's involvement in the Comintern congress see B. Lazitch and M.M. Drachkovitch, *A Biographical Dictionary of the Comintern* (Stanford, 1986), p.482.
[110] TsGAIPD SPb, f.R-1127, op.1, d.13, l.40: From a set of responses to 'Materials for Investigating the RKP Collective within the North-Western branch of NKVT', 1923; TsGAIPD SPb, f.R-1127, op.1, d.20, l.2: From a set of biographical data on the members of the party collective: entry for K.M. Begge, between 1922-1923.

In line with the changes in Vneshtorg's status in 1922, Petrovneshtorg gave up its commercial apparatus, and this became the North-Western Gostorg (*Severo-Zapadnyi Gostorg*, henceforth SZGT). Begge remained in charge of the former, and M.M. Landa was appointed to run the latter.[111] Landa had only joined the Bolsheviks in 1920, before which he had been a member of a different socialist party, the Jewish Labour Bund, and lived abroad in emigration.[112] Nevertheless, he was enthusiastic about the potential of the khozraschet policy and threw himself into getting SZGT up and running. In a speech to other foreign trade personnel he spoke of how the new opportunities for independent initiative would dynamise productivity.[113] He set out how he would make SZGT efficient and profitable, through retaining a small staff and paying them commission on the enterprise's turnover to keep them motivated.[114] He stressed that SZGT's methods and approach to work must be similar to those of private companies in capitalist countries. Landa put his words into actions and soon won a reputation among his colleagues as a good businessman and administrator.[115] However, his tendency to treat his enterprise as a capitalist business also made him enemies.

In June 1922 the head of a local shoe factory, Rentsis, complained to Rabkrin after Landa refused to honour a deal which had been made with Petrovneshtorg before the split. According to this deal, Rentsis had sold a batch of linen to Petrovneshtorg and was expecting payment in sugar.[116] Landa was suspicious of the deal, arguing that all of his predecessor's deals were "clearly unprofitable".[117] Instead he insisted on an additional examination of the goods, which found the linen to be

[111] TsGA SPb, f.8, op.1, d.2093, l.248: From an annual report on Petrovneshtorg from Begge to Ekoso, 28th November 1922; TsGAIPD SPb, f.R-1127, op.1, d.7, l.12: A summary of a report by Landa about the reorganisation of Petrovneshtorg.
[112] TsGAIPD SPb, f.R-1127, op.1, d.13, l.40: From a set of responses to 'Materials for Investigating...'.
[113] TsGAIPD SPb, f.R-1127, op.1, d.7, l.12: A summary of a report by Landa...
[114] However, in reality SZGT would quickly come to dwarf Petrovneshtorg in its number of employees. As of February 1923, it had 357 staff compared to 72 in Petrovneshtorg (TsGAIPD SPb, f.R-1127, op.1, d.13, l.40: From a set of responses to 'Materials for Investigating...'.
[115] TsGAIPD SPb, f.R-1127, op.1, d.13, l.40: From a set of responses to 'Materials for Investigating...'.
[116] TsGA SPb, f.8, op.1, d.2111, l.132: Communication from Chairman of the Co-operative of the state factory *Skorokhod* Rentsis to Member of Gubispolkom Colleigiate Smirnov, 17th June 1922.
[117] "clearly unprofitable" trans. from "*iavno nevygodno".*

unexportable. As a result Landa revoked the contract and refused to pay Rentsis. The latter concluded that Landa was guilty of "bureaucratism" and his actions should be subjected to "universal condemnation" as they were "not conducive to the interests of our republic". On the same day a meeting of the bureau of the party collective pronounced Landa's personality to be unsuitable for running SZGT.[118]

Unfortunately, the records do not reveal Rabkrin's response to this complaint. Did it concur that Landa's actions really did harm the republic, or did it conclude that he was merely displaying the tenacity and shrewd business sense that Lenin had urged all administrators to learn in order to save the republic? How, in fact, were Rabkrin to tell the difference?

The Inspectors

The domains of Begge and Landa came under the regulatory purview of the Petrograd branch of Rabkrin's Inspectorate of External Relations (*Inspektorat Vneshnikh Snoshenii*, henceforth IVS). The running of the IVS was entrusted to S. Entin, a longstanding party member and a state administrator since 1917.[119] This group of around twenty agents regulated the affairs of Petrovneshtorg and SZGT, as well as Petrograd port, the customs, and the Department of Artistic Valuables, a collection of art and antiques to be used for export.[120] As per the decree founding Rabkrin, some of the agents maintained a full-time presence in the organ they were regulating, supervising everyday tasks like construction work at the port and the unloading of goods at customs. Others were tasked to

[118] TsGAIPD SPb, f.R-1127, op.1, d.7, l.16: Protocol of the Meeting of the Bureau of the Party Collective within the North-Western branch of NKVT, 17th June 1922. An even more negative account of Landa's activities is given in Sederholm's memoirs. Sederholm recounted that just as he was concluding a contract with the head of leather syndicate Erisman, the latter lost his right to import. Sederholm claimed that Landa had instigated this as he wanted the leather for his own enterprise. When the negotiations with the syndicate were restored, Landa allegedly provoked a GPU investigation that resulted in almost all of its staff, over 400 people, being arrested for theft, bribery and embezzlement (*V Razboinom Stane*, pp.34-35).
[119] TsGA SPb, f.8, op.1, d.6, l.262: From 'A Report on the Activity of the Inspectorate of External Relations of Petrorabkrin [the Petrograd branch of Rabkrin] for June 1922'.
[120] "Artistic valuables" trans. from *"khudozhestvenniiie tsennosti".* TsGA SPb, f.8, op.1, d.6, l.262: From 'A Report on the Activity of the Inspectorate of External Relations of Petrorabkrin for June 1922'; TsGA SPb, f.8, op.1, d.6, ll.388-388a: From 'A Report on the Activity of the Inspectorate of External Relations of Petrorabkrin for August 1922'.

conduct investigations into specific phenomena on an ad hoc basis, like looking into suspicious deals or participating in tender commissions.[121] There were few workers or peasants involved. Only two workers were delegated to the Petrograd IVS at any one time between May and August 1922.[122] Rabkrin's popular movement had collapsed by this year.[123] Whereas in 1921 it had managed to involve 124,000 workers and peasants, in 1922 this number dropped to 25,000. This was in part because as managers transitioned to khozraschet, paying absent staff was a luxury they could not afford and thus Rabkrin delegates were left without any income.[124]

This left the small permanent staff struggling to monitor a vast array of complex activities. To make matters worse the inspectors were generally non-specialists in trade, as any party or state official with an understanding of business was urgently required to work in commerce itself.[125] Lacking knowledge and experience of the sphere, the inspectors were forced to rely rigidly on instructions and directives from above to navigate the line between acceptable and unacceptable commercial practices. These instructions included Sovnarkom decrees, instructions from Rabkrin headquarters, and the vaguely worded articles of the 1922 Criminal Code. A lack of qualified cadres was a problem common throughout Rabkrin's structure. In its annual report for 1920, Avanesov reported that of the 1588 permanent personnel in Rabkrin inspectorate organs, only 133 (or 8.4%) were specialists.[126] Furthermore, his definition

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[121] TsGA SPb, f.8, op.1, d.6, l.446a: From 'A Report on the Activity of the Inspectorate of External Relations of Petrorabkrin for September 1922'. This could be done on the department's own initiative, or on request from their Rabkrin superiors, or relevant economic organs (see TsGA SPb, f.8, op.1, d.6, ll.263a, 378 and 390: From Reports on the Activity of the IVS for June, May and August 1922 respectively).
[122] TsGA SPb, f.8, op.1, d.6, ll.262-398: 'Reports on the Activity of the IVS of Petrorabkrin for May, June, July and August 1922'.
[123] On the failure of Rabkrin's popular movement see Rees, *State Control,* pp.35-36.
[124] Rees also cites the hostility they faced from the organs they were sent to inspect, and the generally poor organisation of Rabkrin as factors which disillusioned people from the movement (*State Control,* pp.35-36).
[125] Krasin, 'Kontrol' ili Proizvodstvo?' (Control or Production?), in *Pravda,* no.65, 24th March 1923, p.4. Krasin argued that the best specialists were needed to work in industry rather than in regulation and that a specialist who is removed from his profession and put to state regulation work quickly degraded into a useless bureaucrat.
[126] Avanesov, 'O Deiatel'nosti Narodnogo Komissariata RKI' (On the Activities of Narkom RKI), a speech at the First All-Russian Meeting of Responsible Workers of RKI, 16-17th October 1920, reproduced in Sarkisian (ed.), *Avanesov,* pp.163-187. See also

of 'specialist' was somewhat loose: any individual possessing an elementary technical education and a basic understanding of mathematics.

Besides commercial (and actual) illiteracy, there were other factors hampering the performance of the IVS agents. They suffered from low levels of motivation. This was largely due to poor pay, one of the worst salary rates in the state service.[127] It was also due to dire working conditions. There were widespread cases of organs refusing to even admit Rabkrin agents onto their premises, kicking them out, and of officials intriguing against them and generally treating their work with a lack of seriousness. Solomon claimed that Iakubov, an inspector who conducted an investigation of Gukovskii's infamous trade mission in Revel', subsequently went insane from the unbearable stress involved.[128] Poor motivation manifested itself in a number of ways. The IVS management complained about their agents not turning up for work, leaving their posts arbitrarily, and disrespecting their superiors and ignoring instructions.[129] In one case inspectors were accused of eating food supplies from state warehouses, a phenomenon they were supposed to be fighting.[130] Some agents ended up colluding with the subjects of their investigations. Entin's predecessor, Popov, and a senior inspector, Bashkirtsev, had been taken to court for conspiring to cover up the emergence of a gang in the port's department of supplies which was stealing goods.[131] According to Roger Pethybridge, such collusion was a problem endemic throughout Rabkrin's structure, in part because many agents felt closer bound to the local institutions in which they were based than to the poorly coordinated narkomat for which they officially worked.[132] Other agents were intimidated by powerful officials into

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Pethybridge, *One Step Backwards,* p.162: By March 1922 little seems to have improved: only 7% of inspectors were industrial specialists, and only 6% had higher education.
[127] Rees, *State Control,* p.27.
[128] Solomon, *Sredi Krasnikh Vozhdei*, vol.1, pp.302-304; Sarkisian (ed.), *Avanesov,* p.173; Rees, *State Control,* p.30.
[129] TsGA SPb, f.8, op.1, d.679, l.4: An order to be circulated throughout the Petrograd IVS signed by temporary head of the Inspectorate G. Popov, 13th September 1921.
[130] TsGA SPb, f.8, op.1, d.2095, l.69: Communication from the head of the Techno-Industrial Guberniia Inspectorate to the Petrorabkrin, 20th August 1921.
[131] TsGA SPb, f.8, op.1, d.6, l.395: From "A Report on the Activity of the Inspectorate of External Relations of Petrorabkrin for July 1922".
[132] Pethybridge, *One Step Backwards,* p.149.

turning a blind eye to abuses. Avanesov reported that local leaders had had Rabkrin inspectors arrested for exposing their faults and Solomon detailed how Gukovskii, a former head of Rabkrin himself, continually threatened and bullied Nikitin, a second inspector sent to investigate him in 1920.[133]

Thus the centre entrusted the regulation of one of the most critical areas of foreign trade to an understaffed group of badly motivated, poorly educated individuals lacking in relevant experience and carrying little authority in Soviet officialdom.

Private Traders Supplying Goods for Export

One of the Petrograd IVS' main concerns was SZGT using private middle men to procure goods to export abroad. Although the Bolshevik leadership preferred state enterprises to buy directly from the state sector, the Eleventh Party Conference in December 1921 had in fact declared it permissible for them to use the free market.[134] Until Soviet organs could develop efficient commercial apparati of their own, Lenin considered the best way for them to buy and sell to each other was through private intermediaries:

> If we take any merchant trading... we shall see that... this merchant, this private businessman, eager for his 100 per cent profit, will do business—for example, he will acquire raw material for industry in a way that most Communists or trade union workers would never be able to do.[135]

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[133] Sarkisian (ed.), *Avanesov,* p.173; Solomon, *Sredi Krasnikh Vozhdei*, vol.1, p.254.
[134] Ball, *Russia's Last Capitalists,* p.22.
[135] Lenin, 'Ninth All-Russian Congress', p.171. On Communists and Bolsheviks: At the Seventh Party Congress in March 1918, the Bolshevik party changed its name to the Communist Party (full name: The Russian Communist Party (bolsheviks)). In doing so it aimed to distance itself from the 'chauvinistic' socialist movements of the west which had supported their national governments during the First World War, and also to clarify the real long-term aims of the party; not just redistributing wealth but leading the world to a new type of stateless society based on communes: Lenin, 'Extraordinary Seventh Congress of the R.C.P.(b.)', 6th-8th March 1918, *Collected Works,* vol.27 (Moscow, 1965), pp.126-141. Also see C. Read, *War and Revolution in Russia, 1914-22*: *The Collapse of Tsarism and the Establishment of Soviet Power* (Basingstoke and New York,

However, news soon reached the Kremlin that these middle-men were walking away with massive overpayments. To some extent the leadership put this down to naivety or apathy on the part of officials in the economic organs.[136] However, in many cases it suspected that the official and the trader were in cahoots, and a chunk of these payments were actually going in the pocket of the former.[137] By late 1922 the centre sought to tighten up control.[138] In January 1923 Sovnarkom forbade state agencies from using private mediators in their dealings with each other, and instead invited them to establish their own commercial apparati, officially employing purchasing agents on a contractual basis. The agents would sell the enterprise's goods according to strict instructions including fixed price margins.[139]

Following this, Avanesov wrote to all local Rabkrin organs with a set of instructions for those investigating transactions between state enterprises and private mediators, to determine whether or not the deals had served as a "vehicle for abuse".[140] He instructed his colleagues to establish any illicit factors behind the deal, such as whether the middle-

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2013), p.128; C. Read, *Lenin: A Revolutionary Life* (Abingdon and New York, 2005), p.288.

[136] Ball, *Russia's Last Capitalists,* p.150.

[137] On fears that the state-private deals were a cover for abuse: TsGA SPb, f.8, op.1, d.2093, ll.386-387: Communication from Avanesov to all heads of local Rabkrin organs: "About Private Mediation", 19th March 1923: "private... mediation often covers a whole series of illegal and ill-intentioned activities by officials and brings losses to the republic". Also see Ball, *Russia's Last Capitalists,* p.150. On how the deals were used by officials to embezzle state resources: GARF, f.R-4085, op.18, d.62, l.111: Communication from the Deputy Head of IVS Bezrukov to member of Rabkrin Collegium Sviderskii: "On the Question of Bribery in Institutions Controlled by the IVS and Means of Fighting it", between 1921-1922: Bezrukov listed eight types of bribery prevalent in the institutions, one of which he described thus: "In concluding contracts and agreements the sum of the deal is exaggerated so that a certain percentage will go to the holder of credit". Solomon also came across this phenomenon in the Soviet torgpredstvo in Revel', as discussed on p.162 of this thesis.

[138] Ball, *Russia's Last Capitalists,* p.150.

[139] Decree forbidding private mediation: 'O Merakh k Uregulirovaniiu Torgovykh Operatsii Gosudarstvennykh Uchrezhdenii i Predpriiatii' (On the Measures to Regulate Trade Operations by State Organisations and Enterprises): *Biblioteka Normativno-Pravovykh Aktov Soiuza Sovetskikh Sotsialisticheskikh Respublik*: http://www.libussr.ru/doc_ussr/ussr_1473.htm [accessed 12.02.2019]; Decree on recruiting purchasing agents: 'Polozhenie o Kommivoiazherakh Gosudarstvennykh Torgovykh i Promyshlennykh Predpriiatii' (Ruling on the Commercial Agents of State Trade and Industrial Enterprises): *Biblioteka Normativno-Pravovykh Aktov*: http://www.libussr.ru/doc_ussr/ussr_1471.htm [accessed 12.02.2019]. Also see Ball, *Russia's Last Capitalists,* p.150.

[140] TsGA SPb, f.8, op.1, d.2093, ll.386-387: Communication from Avanesov to all heads of local Rabkrin organs: 'About Private Mediation', 19th March 1923.

man had relatives working in the organ, and whether an "illegal reward" had been built into the mediator's commission. Investigators were also to determine whether or not using the middle-man had been "necessary in the interests of profitability and good sense". It was left to the IVS inspectors on the ground to try to interpret these guidelines and apply them to the complex business transactions of the foreign trade organs.

One of the main items SZGT strove to procure was timber. This was the primary export from the North-West region.[141] It was also one the Kremlin attached great importance to. Leaders pointed to the fact that timber was so abundant in Russia that most of it was never exploited and simply left to rot.[142] The country had been one of the biggest exporters of it before the war, and even then hardly 3% of the annual increase of wood was ever touched.[143] Therefore, unlike grain and coal, other items traditionally exported from Russia, the production of which was now almost at a standstill, the Bolsheviks believed timber was something they could export easily without the least deprivation to the domestic economy. Meanwhile western nations, some of which were faced with extensive programmes of post-war reconstruction, were desperate to start importing it again.[144] Soviet leaders saw in timber both a useful tool to entice the west into peaceful relations and also a key ingredient in Russia's economic recovery. Through selling vast amounts of it overseas Lenin and Krasin sought to create a foreign currency fund to finance purchases of western machinery and technology.[145] The importance Lenin attached to it is clear from a telegram he sent Lezhava and Rykov in October 1920:

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[141] N. Krylov, 'Itogi Deiatel'nosti Otdela Regulirovaniia SZOU NKVT za 1923-1924 god', in *Vneshniaia Torgovlia Severo-Zapadnoi Oblasti (po dannym SZOU NKVT za 1923/1924 khoziaistvennyi god). Sbornik Otchetnykh Materialov* (Moscow, 1925), pp.40-41.
[142] Krasin, *Voprosi Vneshnei Torgovli*, p.201; L.D. Trotsky, 'Pis'mo v Tsektran' (Letter to Tsektran), *Sochineniia*, vol.15 (Moscow, 1927), pp.435-436.
[143] For example in 1913 44% of Britain's imported timber came from Russia: A.I. Kutuzov (ed.), *Vneshniaia Torgovlia Soiuza SSR za X let. Sbornik Materialov* (Moscow, 1928), pp.342-343. On the annual increase see Krasin, *Voprosi Vneshnei Torgovli*, p.201.
[144] RGAE, f.413, op.2, d.538, ll.1-2: From translated (into Russian) article 'The Current State of the Timber Market in Germany' from German Journal *Deutschland und die Weltwirtschaftslage*, January 1921.
[145] Liberman, *Building Lenin's Russia,* pp.96-98.

> A series of big timber export deals made by our London trade delegation is of major political and economic significance...[146]

He went on to stress the importance of building up a supply of shippable timber:

> ...the need to enlarge our export fund, especially the timber fund, by any means necessary, is obvious. To give this matter a sense of urgency, I ask you to put together a draft decree about the measures to be taken as quickly as possible and present it to *Sovnarkom*...

SZGT had its own timber department devoted to procuring local timber, refining it into exportable condition, and selling it abroad through Soviet trade representatives overseas (*torgovie predstavitel'stva*, henceforth torgpredstva).[147] Its head, A. Sapotnitskii, was already on the IVS' radar from mid-1922 when his name featured in a report about nepotistic job appointments.[148] The compiler, Inspector Budanov, had stated that the head of the timber department was not a timber specialist at all. Though Sapotnitskii had international commercial experience through working for the Vysotskii family of tea merchants, Budanov rather counted this against him, casting doubt on his social credentials. Sapotnitskii's department increasingly became the object of IVS attention from around this time as it was accused of making doubtful deals with private agents.[149] IVS' suspicions hardened in September when its Inspector Semenov monitored a tender for SZGT and its Moscow equivalent, *Mosgostorg* (henceforth MGT), to procure one million clapboards.[150] The IVS considered tenders to be good practice, and for some types of

[146] RGAE, f.413, op.2, d.274, l.23: Telegram from Lenin to Lezhava and Rykov, 10th September 1920.
[147] TsGA SPb, f.8, op.1, d.2097, l.127: From an act of investigation by IER inspectors Pavlov, N. A. Regekampf and S.S. Semenov into the Timber Department's activity, 10-25th October 1922.
[148] TsGA SPb, f.8, op.1, d.2097, l.13: From a report of an investigation into SZGT on 21st-28th June 1922, by Senior Inspectors V.N. Budanov and Gerr, and Inspectors Zhorzhen and Mikhailov, sent to IVS manager Sondak.
[149] Referred to in several of the monthly 'Reports on the Activity of the IVS of Petrorabkrin' in TsGA SPb, f.8, op.1, d.6.
[150] The details of this case are taken from the following documents: TsGA SPb, f.8, op.1, d.2097, l.102: Letter from Entin to the Timber Department, 2nd October 1922; TsGA SPb, f.8, op.1, d.2097, l.105: Letter from Inspector Semenov to head of the IVS Bezrukov, 19th September 1922; and TsGA SPb, f.8, op.1, d.2097, l.106: Act concluding the affair, written by Semenov and signed by all members of the tender commission, September 1922.

purchases they insisted on them.[151] As part of a tender, a state enterprise was expected to publicly advertise its desire to procure a certain resource, and then compare all the incoming applications, choosing the one that offered the best value.[152] Despite the apparent transparency and healthy competition that tenders ostensibly offered, some commentators were critical that it was easy to trick the system. One such was the writer Ilia Ehrenburg, in *The Grabber,* his satirical novel on the NEP economy. One of Ehrenburg's characters was a merchant who treated tenders as a pure formality, covering up the real ways of winning the contracts from state officials: from crude bribes, à la carte dinners, and picnics, to "renting out" one's wife.[153]

On inspecting the conduct of the tender, Semenov was shocked to learn that the invitation to participate had not been announced two weeks in advance, as per his understanding of the law, but with just three days' notice. This had not left any prospective applicants time to prepare a proposal except, suspiciously, a few of SZGT's regular suppliers. Furthermore the gostorgi had not demanded a deposit from these individuals which was required by law. Semenov reported this as bad practice and insisted on the tender being reheld. He argued that the counter-agents were overcharging, and by not securing a deposit, the Timber Department had effectively eschewed any influence over them to get the job done correctly. Semenov concluded that the interests of the state had been compromised.[154]

Semenov's report, along with that of his superior, Entin, strongly suggests an element of collusion between the gostorgi and the private entrepreneurs that "stand close to them", and that the tender itself was a

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[151] 'Tender' trans. from the Russian '*torg*'. TsGA SPb, f.8, op.1, d.764, l.50: From 'Report of Inspectorate, January 1923'. This report notes that the IVS participated in a meeting at the Petrograd Trade Port where it exposed the port administration for buying goods in an 'unplanned' fashion and 'from a certain circle of individuals'. The IVS demanded that henceforth the port was obliged to make certain kinds of purchases through tenders, and where tenders were practically impossible, it still needed to prove it had allowed wide competition for the contract.
[152] TsGA SPb, f.8, op.1, d.2097, l.105: Letter from Inspector Semenov to head of the IVS Bezrukov, 19th September 1922.
[153] Ehrenburg, 'Rvach', p.188.
[154] TsGA SPb, f.8, op.1, d.2097, l.102: Letter from Entin to the Timber Department...

pure formality.[155] Indeed, according to Semenov, the MGT agent, Pines, had overtly described it as a "stupid formalism".[156] Furthermore the fact that the gostorgi were happy to pay the counter-agents' overpriced rates was likely to have triggered the inspectors' suspicions that the deal was just a front for bribery or embezzlement.

An MGT agent, Kagan, responded by effectively admitting that the tender had been fabricated, however he claimed there were defensible reasons for doing so.[157] Kagan explained that the gostorgi could only give work to the middle-men who had supplied the department on previous occasions, as otherwise they could not vouch for the results. They had had to obtain the timber urgently as the shipping season was coming to a close, after which it would have been impossible to export anything until the following spring, when the ice thawed. Therefore they preferred to use agents who had already shown themselves to be reliable, even if it meant overpaying them, rather than risk trusting the potentially unknown winner of a tender, who may, in an environment where private traders were only haphazardly regulated, disappear with the advance money. This also explains why agents may have preferred dealing with their old friends and relatives rather than strangers. Though Avanesov dismissed such behaviour as nepotism, social bonds may have been one of the few forms of security an economic agent had to ensure a deal would be honoured.

Besides the matter of securing the initial contract, the IVS also sought to regulate how the timber deals were implemented in practice. In October 1922 and in the following March it launched two investigations into a series of deals made between the Timber Department and private suppliers which had not been fulfilled and apparently abandoned.[158] The investigator, Senior Inspector Pavlov, concluded that the department had displayed a generally overindulgent attitude towards its contractors. He

[155] TsGA SPb, f.8, op.1, d.2097, l.102: Letter from Entin to the Timber Department...
[156] TsGA SPb, f.8, op.1, d.2097, l.105: Letter from Inspector Semenov to head of IER Bezrukov, 19th September 1922.
[157] TsGA SPb, f.8, op.1, d.2097, l.102: Letter from Entin to the Timber Department....
[158] TsGA SPb, f.8, op.1, d.764, ll.7-8: 'Report of Inspectorate for March 1923'; TsGA SPb, f.8, op.1, d.2093, l.231: Communication from Senior Inspector N. N. Pavlov to the IVS, 24th November 1922.

found that it had defied the law and not demanded a deposit from suppliers, on the contrary it had paid them large advances. The parties had signed contracts giving the department the right to revoke the agreements and demand money back if the supplier did not fulfil the work, yet it had not made use of this. In one of the deals, with a citizen Khazanskii, the department had received only a quarter of the boards, and they were of a lower quality than agreed.[159] In another deal the Varkovetskii brothers were supposed to have supplied 600 standards of exportable boards by 20th August. By 10th October only 374 had been supplied. Of these, only 154 were exportable and many were rotten.[160] Both Khazanskii and the Varkovetskii brothers were considered culpable by an IVS commission, under Article 130 of the Criminal Code, the crime of intentionally not fulfilling a state contract. Pavlov argued that they must have known in advance that they would not be able to procure enough timber.[161] As for the Timber Department itself, Pavlov apparently did not find evidence of abuse as he instead accused it of mismanagement and neglect of responsibilities, leading to losses for the treasury.[162] Avanesov and Bezrukov, the head of the overall IVS structure, responded to the report with fury, similarly stressing the huge losses for the government. They demanded that the individuals who had signed the contracts on behalf of the department be rooted out and charged under Article 110, which conveniently covered both abuse of position and incompetence anyway.[163]

Sapotnitskii's explanation offers a brief glimpse into an alternative perspective. He argued that suppliers' delays were usually caused by technical reasons and were not intended to deceive the state. In view of the constantly rising prices as the Soviet government started to enact currency reforms, Sapotnitskii argued that it actually made better

[159] TsGA SPb, f.8, op.1, d.764, l.8: From 'Report of Inspectorate for March 1923'.
[160] TsGA SPb, f.8, op.1, d.764, l.8: From 'Report of Inspectorate for March 1923'.
[161] TsGA SPb, f.8, op.1, d.2113, ll.41: 'Protocol no.7 of the Meeting of the Commission for Establishing the Losses of SZGT due to Untimely Fulfilment of the Contracts of the Timber Department' N.D.; TsGA SPb, f.8, op.1, d.2113, ll.42: 'Protocol no.8 of the Meeting of the Commission for Establishing the Losses of SZGT due to Untimely Fulfilment of the Contracts of the Timber Department', 17th March 1923.
[162] TsGA SPb, f.8, op.1, d.764, l.8: From 'Report of Inspectorate for March 1923'.
[163] TsGA SPb, f.8, op.1, d.295, l.35: Communication from the central IVS to North-Western Rabkrin, 18th April 1923.

commercial sense to leave the deal in place and get the goods with a delay, rather than demanding money back which was now worth much less in real terms.[164] As for paying the counter-agents large advances, this was the price the state had to pay to maintain good working relations with the middle-men. In late 1922 the Timber Department, in protesting against a new rule that advances should not exceed 10%, argued that without giving counter-agents at least half their payment upfront, it could not guarantee that they would carry out the work honestly.[165] In an economy where the demand for ready timber outweighed its supply, the onus could, ironically, be on the state sector to demonstrate to private suppliers that it was a good client. This was the reverse of Lenin's intention for the state to utilise the private trader.

Thus, the Kremlin, fearing that state enterprises were using private middle-men as vehicles for abuse, sought to crack down on them through issuing new decrees and laws. It relied largely on Rabkrin to ensure its directives were being implemented. The reports of Petrograd's IVS branch show how hapless local inspectors tried to apply the often rigid and arbitrary rules to SZGT's Timber Department. They interpreted its complaisance in dealing with counter-agents as evidence of mismanagement and corruption. However, these reports also provide glimpses of alternative narratives suggesting that state agencies were obliged to indulge private traders purely to get hold of necessary materials. In reality, these traders had more bargaining power than central decision-makers imagined: not only were they were far better positioned than state enterprises to seek out goods, in the economy of shortages in the early 1920s they often had multiple possible buyers to sell on to.[166] Furthermore, under a regime unable to effectively regulate the private sector, state enterprises were particularly desperate to oblige traders who had already proved themselves trustworthy.

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[164] TsGA SPb, f.8, op.1, d.2093, l.231: Communication from Senior Inspector N. N. Pavlov to the IVS, 24th November 1922.
[165] GARF, f.R-4085, op.18, d.62, l.218: Communication from Bezrukov to the legal department of *Rabkrin* on the revision of the Timber Department.
[166] Furthermore, Ball describes how in the shortage economy of the early 1920s, goods tended to be bought well in advance of their production. Thus it was not necessarily easy for those not in the know to get their hands on them (*Russia's Last Capitalists,* p.109).

'Theft' from State Warehouses

Another issue which troubled the soviet leadership was that the staff of state enterprises were helping themselves to supplies from the warehouses. Lack of accurate systems of accounting meant the centre lacked data on the comings and goings of these goods.[167] Against this backdrop a tendency for the media to publish sensational cases of economic crime quickly gave rise to fears of a mass epidemic of theft of state property.[168] In May 1921, Lenin, on behalf of the Council of Labour and Defence, wrote to local soviets demanding a report every two months on this "widespread evil" in their territories.[169] He believed that this was a phenomenon affecting every state enterprise, and that the ones claiming otherwise were merely ignorant of what was happening right under their noses. He demanded to be kept informed of what each enterprise was doing to combat this problem, whether staff members were searched on leaving work, and whether officials were called to account for the losses.

Theft from warehouses struck a particularly raw nerve when the goods had been imported from abroad. Until timber export could be set up and running, and with western nations reluctant to extend credit, the only means the Soviet government could pay for imports was from its dwindling gold reserves. Around 40% of these had already been earmarked for buying and repairing locomotives in 1920, and a considerable amount of the remainder had been used for procuring foreign grain during the famine of 1921.[170] The leadership tried to be

[167] Ball, *Russia's Last Capitalists,* p.115. Poor book-keeping was one of the most frequent complaints of the IVS during 1922-1923.The report of one Inspector Izmailovskii is characteristic. On inspecting Petrovneshtorg's sub-department of supplies he discovered a whole series of defects in accounting. One of his main concerns was that state goods were being released from storage not on the basis of any official paperwork but scrawls on scrap paper, rarely signed by anyone. TsGA SPb, f.8, op.1, d.2093, l.8, 24th August 1922.
[168] The best known (in western historiography) example of this sensational coverage is I.S. Kondurushkin's book *Chastnyi Kapital pered Sovetskim Sudom* (*Private Capital before the Soviet Court*) (Moscow, 1927), in which the Public Prosecutor for Economic Affairs Kondurushkin recounted some piquant cases of nepmen and corrupt bureaucrats abusing the system.
[169] Lenin, 'Instructions of the Council of Labour and Defence to Local Soviet Bodies', 21st May 1921, *Collected Works,* vol.32, p.394.
[170] A. Heywood, *Modernising Lenin's Russia. Economic Reconstruction, Foreign Trade and the Railways* (Cambridge, 1999), p.5; Krasin, *Voprosi Vneshnei Torgovli,* p.253.

frugal with the rest of the gold, only permitting the purchase of the most crucial goods which could not be sourced at home.[171] Once these items had been imported, they were to be utilised in the most rational and cost-effective way, through careful state planning. They were certainly not to be taken by the staff overseeing them for their personal consumption or for bartering.

Sovnarkom sought to crack down on theft in a decree of June 1921: "On Measures of Fighting Theft from State Stores and Abuses of Position, Facilitating Theft".[172] This stated that any state employee involved in taking goods from their workplace faced anywhere from three months of imprisonment with strict isolation up to execution for more serious cases.[173] The same punishment applied equally to the actual thieves and anybody who facilitated it, whether through authorising the release of the goods, deliberately failing to record them when they first entered the warehouse, or just failing to take action to stop the theft. Revolutionary Tribunals were to hear these cases as an urgent priority and conduct them without any defence or witnesses.

The Rabkrin leadership instructed the IVS to look into suspicious releases of state goods when investigating enterprises involved in foreign trade.[174] However, once again, as their investigations would uncover, the issue was far from black and white, and understandings of 'abuse' and 'theft' proved highly subjective.

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[171] Krasin, *Voprosi Vneshnei Torgovli,* pp.68-69; TsGA SPb, f.8, op.1, d.2093, l.451: In a document entitled 'Plan for the Investigation of SZGT' (between 1922-1923), investigators were instructed to address whether SZGT had imported any illegal goods, meaning those not needed for industry and which were not on the list of exportable goods.

[172] 'O Merakh Bor'bi s Khishcheniiami iz Gosudarstvennykh Skladov i Dolzhnostnymi Prestupleniiami, Sposobstvuiushchimi Khishcheniiam': *Biblioteka Normativno-Pravovykh Aktov*: http://www.libussr.ru/doc_ussr/ussr_976.htm [accessed 12.02.2019].

[173] By serious cases Sovnarkom meant repeat offences, cases where the phenomenon had obtained a particularly ingrained character, and where senior officials were caught involved. As a further example how the Bolsheviks intended law as a tool to control the capitalist, the tribunal was to take into account the social provenance of the offender in determining the punishment. Sovnarkom demanded representatives of the "world of speculation" along with senior managers be punished "with full rigour and consistency", while for workers from proletarian and semi-proletarian backgrounds "the severity of the repression is to be weakened".

[174] TsGA SPb, f.8, op.1, d.2093, l.451: 'Plan for the Investigation of SZGT'. Investigators were instructed to address the following issue: "Are there cases of releasing import goods directly from warehouses to individual officials and private individuals?".

Payment in Provisions

On 3rd November 1922 a group gathered in one of SZGT's warehouses to open 22 packages of English clothing materials that had arrived from MGT to its agent in Petrograd, comrade Pines. Besides two senior warehouse workers, there were two SZGT experts present to inspect the goods. As they began their task, the group discovered that somebody had cut and removed parts of the material, and placed stones in the packages to try to ensure their weight remained roughly the same.[175] The order was in such disarray that MGT needed the two experts, Ivanov and Erman, to work overtime to bring everything in order. To recompense them, Pines decided it appropriate to issue them with five and a half *arshiny* (3.9 metres) each of the same imported material.[176] He also deemed it necessary to recompense himself with six *arshiny* (4.3 metres).[177] Thus precious foreign goods had been taken from the warehouse for employees' private use. Yet, at least in the case with the experts, this was not intended as theft of state property or abuse of position. Pines had authorised the decision with one of the board members of the gostorg organisation itself, comrade Oder, who had agreed that the material was to be issued at gostorg's expense.[178] Paying workers with the products of their workplace to barter on the black market had been increasingly widespread among Soviet economic organs during the civil war, as officials recognised that there were no other means for their staff to buy food.[179] Naturally, things could not change overnight with the shift to the NEP, especially when state agencies were making the painful transition to khozraschet and had to find ways to pay

[175] TsGA SPb, f.8, op.1, d.2093, ll.198-198a: Act on the Opening of 22 packages sent from Moscow Gostorg to its representative in Petrograd Com. Pines, 3rd November 1922.
[176] TsGA SPb, f.8, op.1, d.2093, l.211: Note from Com. Pines to head of warehouse "Safe", 14th November 1922. The conversion from *arshiny*, an obsolete Russian unit of length, to metres is based on the Russian 'Ozhegov' dictionary definition of 1 *arshin* as being equal to 71 cm: что-означает.рф/аршин [accessed 12.02.2019].
[177] TsGA SPb, f.8, op.1, d.2093, l.237: Note from Com. Pines to head of warehouse "Safe", 24th November 1923.
[178] TsGA SPb, f.8, op.1, d.2093, l.211: Note from Com. Pines to head of warehouse "Safe", 14th November 1922.
[179] Lih, *Bread and Authority,* p.221.

workers from their own paltry incomes.[180] Many had had to sell all their non-essential assets just to survive, and monetary salaries were not a reliable option due to hyperinflation and the simultaneous existence of multiple rival currencies.[181] Nevertheless, the IVS were not sympathetic towards Pines' actions. The inspectors called for "appropriate measures" to be taken, presumably in line with Sovnarkom's stern decree on theft.[182]

A similar case involved Burobin*,* an organ responsible for organising accommodation and catering for foreign visitors.[183] Like MGT, it found itself obliged to pay an employee for overtime from the provisions available in its stores, in this case wine and cigars.[184] Presumably the recipient was expected to barter these on the black market for food and clothing. Nevertheless, the action met with the condemnation of the IVS.

Another case came to light when the IVS inspected the customs control at Yamburg (now Kingisepp), on the border with Estonia. Inspector Riabov found that the head of customs, comrade Olin, had a habit of taking imported goods that were supposed to be forwarded on to Petrograd, and distributing them among his employees. On Labour Day he handed out dried biscuits to staff working through the holiday. Olin appears to have been primarily concerned with feeding the workers and raising their morale. On this occasion Riabov himself admitted the case

[180] Narskii has noted that state employees continued to see the receipt of state property as a legitimate part of their service even after the shift to the NEP (*Zhizn' v Katastrofe,* p.475).
[181] A.A. Il'iukhov, *Kak Platili Bolsheviki: Politika Sovetskoi Vlasti v Sfere Oplaty Truda v 1917-1941 gg.* (Moscow, 2010); M.V. Khodiakov, *Den'gi Revoliutsii i Grazhdanskoi Voiny. Denezhnoe Obrashchenie v Rossii, 1917-1920 gg.* (Saint-Petersburg, 2009).
[182] TsGA SPb, f.8, op.1, d.2093, l.313: From a set of materials, gathered by Pechistkin, head of Rabkrin's Petrovneshtorg department, about the case of the English fabrics in the gostorg warehouse, for the taking of appropriate measures.
[183] Burobin was an abbreviation of *Biuro Obsluzhivania Inostrantsev*, 'Bureau for the Provision of Services for Foreigners'.
[184] TsGA SPb, f.8, op.1, d.6, l.539: From 'Report on the Activity of the Inspection of External Relations of Petrorabkrin for September 1922'.

did not look suspicious, putting it down instead to a "lack of expertise" on Olin's part.[185]

Thus Petrograd foreign trade officials sometimes released imported goods from state storage not with an intention to steal, but as a way of paying workers in a broken economy that was only just beginning to recover. Some workers, however, did not even wait to be issued goods from their superiors, and helped themselves to state supplies.

'Theft' from the Port

A constant thorn in IVS' side during the early 1920s was the ingrained culture of workplace theft among the employees of Petrograd port.[186] Imported food was often intended for the millions of victims of the famine in the Volga, thus Rabkrin was eager to stop port workers, who were already supposed to receive rations, from taking it.[187] The most common form of stealing was of loose food items leaked from damaged sacks. On investigation, the IVS discovered that the workers had a scheme. Those who unloaded the food from the ships deliberately used metal hooks in a rough manner to tear sacks and damage wooden crates. These would then leak their contents as they were moved from the ship, along the embankment, to the warehouse. The scattered items, usually flour, rye, wheat, beans, and sugar, would then be scooped up by passing workers and smuggled out of the port.[188] Another phenomenon

[185] TsGA SPb, f.8, op.1, d.2095, l.14: 'Report on the Revision of Yamburg Customs Control', sent by Inspector B.L. Riabov to Head of the RKI Department within Petrovneshtorg, 22nd May 1921.
[186] IVS reports consistently referred to the pervasive nature of the problem. For example: "huge level of theft" (TsGA SPb, f.8, op.1, d.2095, l.44: From 'Report on the State of Affairs in Petrovneshtorg', by Senior Inspector N.N. Obernibesov to Member of the Board of Petrorabkrin Com. Tench, 29th June 1921); "large-scale theft in the port" (TsGA SPb, f.8, op.1, d.2095, l.69: Communication from Acting Head of the Techno-Industrial Regional Inspectorate to Petrorabkrin, 20th August 1921); and "In Petrograd Trade Port there is systematic theft of products" (TsGA SPb, f.8, op.1, d.2095, l.71a: From a cutting of a letter from *Krasnaia Gazeta*, 6th August 1921).
[187] TsGA SPb, f.8, op.1, d.2095, l.71a: From a cutting of a letter...
[188] TsGA SPb, f.8, op.1, d.2095, l.59: Report of Head of the IVS to Member of the Board of Petrorabkrin Com. Tench, 29th June 1921; TsGA SPb, f.8, op.1, d.680, ll.13-14: From 'Report of Petrovneshtorg for August 1921'; TsGA SPb, f.8, op.1, d.680, l.34: From 'Report of Petrovneshtorg for September 1921'; TsGA SPb, f.8, op.1, d.680, l.48a: From 'Report of Petrovneshtorg for October 1921'; TsGA SPb, f.8, op.1, d.607, l.46: From an annual report on the work of Petrorabkrin for 1920.

the IVS frequently encountered was the theft of tinned food from the warehouses. Workers would sometimes eat it directly in the warehouse in the course of their duties, leaving inspectors to find half-eaten tins of baked beans and salt pork.[189] Another method was to hide the tins on one's person and try to take them home. After the unloading of a shipment of tinned goods, a search conducted at the port's exit found on the 113 porters a total of 617 cans.[190] In another warehouse there was a large supply of cognac, wines and spirits which according to the IVS created a "nervous interest" among the staff and several investigations into it repeatedly found some bottles to be missing, others half-empty, and many with their original contents replaced by a coloured liquid.[191] IVS inspectors found all these offences particularly difficult to stop as those sent to regulate and search the workers proved just as likely to collude in the thefts than prevent them, resulting in the conviction of several policemen and Cheka agents in summer 1922.[192]

Thus the IVS were plagued by a seemingly unstoppable hive of criminal activity. However, as in the case of Pines and his comrades, its reports suggest that both the port workers and their employers seem to have viewed these activities not as a crime, but as a fair form of payment for their work. The fact that the workers continued to steal products openly in front of inspectors may suggest they did not see their actions as illicit.[193] When IVS agents advised the porters how to unload goods without damaging the packaging, the latter ambiguously replied

[189] TsGA SPb, f.8, op.1, d.2095, l.59: Report of Head of the IVS...
[190] TsGA SPb, f.8, op.1, d.2095, l.44: From 'Report on the State of Affairs...'.
[191] TsGA SPb, f.8, op.1, d.6, l.540a: From 'A Report on the Activity of the Inspectorate of External Relations of Petrorabkrin for September 1922'; TsGA SPb, f.8, op.1, d.15, l.163: Report to the General Administration of NK RKI (Rabkrin) from Zelikson, 24th November 1922.
[192] TsGA SPb, f.8, op.1, d.607, l.46: From an annual report on the work of Petrorabkrin for 1920; TsGA SPb, f.8, op.1, d.2095, l.44: From 'Report on the State of Affairs...'.
[193] TsGA SPb, f.8, op.1, d.607, l.46: From an annual report... The expectation among workers to take home goods from the workplace was not limited to the shortage economy of early Soviet Russia. It had been common among British factory workers ever since the eighteenth century. Despite state attempts to stamp out workplace stealing during the nineteenth century workers still widely considered it normal practice in the 1950s (B. Godfrey and S. Lawrence, *Crime and Justice since 1750,* 2nd ed. (London and New York, 2015), pp.150-151; J.P. Locker and B. Godfrey, 'Ontological Boundaries and Temporal Watersheds in the Development of White-Collar Crime', *British Journal of* Criminology, 46 (6), 2006, pp.976-977).

that "they could not work in any other way".[194] When the agents relayed this to the port supervisors, the latter defended their workers and refused to implement the IVS' changes.[195]After Rabkrin started implementing stricter searches from June 1922, it found that many employees stopped coming to work entirely.[196] This suggests that these workers saw the ability to take food as the main form of recompense for their labour. Indeed, there even seems to have been some informal understanding among port staff as to how much they were entitled to take. A letter to the newspaper *Krasnaia Gazeta* complaining about the thefts noted that port guards told workers concealing a particularly large amount of flour or sugar to go and just "sprinkle a little bit back".[197]

The understanding that workers were entitled to take imported food from the port seems to even have been shared among some of the IVS themselves. One agent suggested that instead of trying to stop the staff taking any food at all, the best solution would be to grant them a set quantity on an official basis, thus setting a limit to the amount taken.[198] Other IVS agents were caught eating tinned food in the warehouses themselves during their inspections. Instead of handing the offenders to the Cheka*,* their manager even defended their actions, arguing that they had to work arduous 18 hour shifts and it was only natural that they replenish their strength.[199]

Thus, when leaders had started to fear that precious goods were being haemorrhaged out from state warehouses on a mass scale, their response had been characteristic: to tighten up control through legislation and charge Rabkrin with overseeing its implementation. However, those involved in releasing goods to others, or taking them for themselves, did not necessarily understand their actions to constitute

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[194] TsGA SPb, f.8, op.1, d.680, l.14: From 'Report of Petrovneshtorg for August 1921'.
[195] TsGA SPb, f.8, op.1, d.680, l.33: From 'Report of Petrovneshtorg for September 1921'; RGAE, f.413, op.2, d.628, ll.25a, 34: From 'Report of the Emergency Commission for Revising the Petrograd Department of NKVT, Petrograd Commercial Port and Petrograd Customs' sent to Krasin, between 1921-1922.
[196] TsGA SPb, f.8, op.1, d.607, l.46: From an annual report...
[197] "sprinkle a bit back" trans. from "*otsypat' nemnozhechko*": TsGA SPb, f.8, op.1, d.2097, l.71: From a cutting of a letter...
[198] TsGA SPb, f.8, op.1, d.607, l.47: From an annual report...
[199] TsGA SPb, f.8, op.1, d.2095, l.69: Communication from the Head of the Techno-Industrial Guberniia Inspectorate...

theft or abuse of position. In the shifting and chaotic economy of the early 1920s, many saw them as the most reasonable, if not the only, form of remuneration for work available to them.

Conclusion

Ever since 1918, the Bolshevik leadership had increasingly experimented with new approaches to commerce. One of these allowed individuals to engage in petty private trade. The other framed the state-run economy itself as a commercial entity. As the party was forced to make concession after concession to its initial visions in order to find a realistic way of distributing goods in the country, these approaches were gradually extended to ever broader spheres of the economy, resulting in widespread private trade and khozraschet. By mid-1921 leaders started to see them as a unified economic policy.

Although most party members understood the need for these new developments, many feared that an expansion of capitalist activity threatened to weaken the Bolshevik grip on the government and create rival power structures. For Lenin, control remained the safeguard against this danger. The party had to mobilise the state apparatus to channel the capitalist mentality into serving Bolshevik interests. The Central Committee attempted to use legislation to create a new class of legal businesspeople interested in co-operating with the state on a 'carrot and stick' basis. However this quickly foundered due to the state's weak authority over the country as well as the subjective nature of its law codes which explicitly discriminated against private entrepreneurs. Consequently the private trader remained a legally liminal figure working largely outside state control.

Instead the Bolsheviks turned the regulatory powers of the state onto itself. They created strict guidelines for khozraschet agencies and tasked Rabkrin to oversee their implementation. However this brought out inherent contradictions in their approach to commerce, as a study of the Petrograd foreign trade sector reveals. On the one hand Lenin had

intended khozraschet as a way for the state sector to learn the private trader's methods and imbibe their spirit, their resourcefulness and intuitiveness, allowing it to outdo them and eventually render them redundant. Yet Sovnarkom heaped regulation after regulation onto the state enterprises, limiting their freedom of action and giving the private trader the decisive edge. The only way state agencies were able to conduct their operations successfully was through bending the rules and evading state attention. In this they were hampered by the arbitrary interference of Rabkrin. Inspectors, innately suspicious through their lack of understanding of the commercial sphere, and rigidly adhering to rules that were often inappropriate to realities on the ground, charged the economic officials with mismanagement, abuse and harming the interests of the state.

This provoked two opposite responses in the party. Some came to the conclusion that these control methods were suffocating initiative and impeding the nation's economic recovery, and called for them to loosened. Others, seeing the growing corruption rates, feared that state capitalism was not being controlled enough and called for even more stringent regulation. This difference of opinion would foster heated among party leaders in the coming years.

Chapter Five: Control or Production? Bolshevik Approaches to Regulating the Economy 1921-1923

By the end of 1922, many in the party leadership had realised the systems they had organised to regulate the economy were deeply flawed. Control organs were supposed to aid economic reconstruction, ensuring that capitalism was working for the good of the state. Yet all evidence seemed to suggest they were actually impeding it, exacerbating red tape and hounding important specialists. In the last months of his active political life, Lenin sought to reform the control apparati to strike a new balance between production and regulation. However his stabilising influence on the rest of the party leadership was fading. The scales would soon be upset for years to come.

This chapter looks at party attitudes towards regulating the economy in the first years of the NEP. It starts off by analysing leadership debates over the failing Rabkrin apparatus, which culminated in Lenin's attempt to reform the Inspectorate in early 1923. It then looks beyond the official resolutions of the Politburo and Party Congresses to seek the perspectives of the rest of the party, from the khozraschet managers and local controllers, to the illicit underworld of Bolshevik fraudsters.

Part One: Reforming Rabkrin

Responses to the Failures of Control

One of the first leaders to criticise the state's attempts at self-regulation was Trotsky. He pointed out the distance and lack of co-ordination between Sovnarkom's decrees and the reality on the ground. In order to get anything done, economic agencies had to bend the rules:

> In order to break through the wall of red-tape, there is sometimes no other way, than to evade or side-step decrees.[1]

In Trotsky's view, this could only be solved by having a unified economic programme, co-ordinated by a dedicated central organ that understood the needs of industry. The State Planning Commission, Gosplan, had been founded in February 1921 for precisely this purpose. However, due to the subsequent expansion of the commercial sector, it remained undeveloped and led a shadowy existence.[2] Trotsky argued the state should place Gosplan at the forefront of economic policy to direct and guide its enterprises, instead of heaping repressive measures on them and leaving them to struggle in the dark.[3] He found the idea of Rabkrin laughable. Partly sparked by his personal feud with its Narkom, Stalin, Trotsky had been a bitter opponent of the Inspectorate from its inception.[4] Already by the end of 1920, just ten months after its creation, Trotsky had identified the fundamental flaws behind Rabkrin that would make it a failure over the coming years.[5] Rabkrin, as an organ not involved in economic work itself, and staffed with non-specialists, was incapable of understanding the activities it was supposed to regulate and their role within the economy as a whole. Neither could it appreciate the specific difficulties that each enterprise had to deal with. Therefore, Trotsky asked, how could it possibly advise them on improving work processes?[6] He noticed that instead, inspectors tended to focus on catching and exposing anybody who deviated from the rules, though this may have actually been necessary to get the job done. He illustrated his observations with an example of Rabkrin's inspections of business

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[1] L.D. Trotsky, 'Put' K Edinomu Khoziaistvennomu Planu', (Paper delivered at the Eighth Congress of Soviets, 22nd-29th December, 1920), *Sochineniia,* vol.15 (Moscow, 1927), p.221.
[2] I. Deutscher, *The Prophet Unarmed. Trotsky: 1921-1929* (Oxford, 1970), p.41.
[3] Deutscher, *The Prophet Unarmed,* p.48; E.A. Rees, *State Control in Soviet Russia: The Rise and Fall of the Workers' and Peasants' Inspectorate, 1920-1934* (New York, 1987), p.30.
[4] On Trotsky's feud with Stalin as a reason for his enmity towards Rabkrin, see Deutscher, *The Prophet Unarmed,* pp.35-37; 47-48.
[5] Trotsky, 'Put' K Edinomu', pp.221-225. Trotsky's condemnation of Rabkrin in this paper is discussed in the following: Rees, *State Control,* pp.29-30; Deutscher, *The Prophet Unarmed,* pp.47-48; A.G. Dianov, 'Preodelenie Krizisa v Raboche-Krest'ianskoi Inspektsii v Period Stanovleniia NEPa', *Omskii Nauchnyi Vestnik*, 3 (78), 2009, p.13.
[6] Trotsky, 'Put' K Edinomu', pp.222-225.

accounts.[7] According to regulations, all outgoings had to be calculated in roubles, though by this time the rouble had become so devalued it had lost any serious measuring capacity. Economic agents resorted to recording rough estimates based on the value of previous deals and other contributing factors like time and place. When Rabkrin inspectors came to check these accounts, they could not understand them, and reacted in one of two ways. Either they just permitted it, rendering the inspection pointless, or, even worse, they got suspicious and demanded to see full evidence for the costs. When the agent was unable to provide it, they would advocate disciplinary measures.

Lenin defended Rabkrin against such criticisms.[8] He had been a driving force behind its creation, seeing in it a way to fulfil his vision of "country-wide accounting and control" conducted by the workers themselves.[9] Lenin continued to favour the concept of Rabkrin in principle, however he grew increasingly frustrated with the mounting evidence that it was not working as he had envisaged. A Rabkrin report on the work of fuel-producing enterprises in September 1921 particularly angered him, pushing him to confront Stalin about the deficiencies in the Inspectorate's work.[10] Lenin was incensed that, at a time when the economy was suffering a debilitating fuel crisis, Rabkrin's only contribution was to criticise the Central Timber Board, the body responsible for co-ordinating the timber industry, for not compiling its accounts correctly. He argued that Rabkrin should have been on hand to advise on accounting procedures when the Board was first being set up, back in the spring. It should then have returned a month later to see how its instructions had been implemented, and again the next month, until it ensured that everything was working smoothly. Besides this, Lenin was also dismayed at the quality of the report itself, which

[7] Trotsky, 'Put' K Edinomu', pp.223-224.
[8] Deutscher, *The Prophet Unarmed,* p.48.
[9] Rees, *State Control,* pp.22-24. The quote in this sentence comes from V.I. Lenin, 'The Immediate Tasks of the Soviet Government', April 1918, *Collected Works,* vol.27 (Moscow, 1965), p.251.
[10] Lenin, 'Tasks of the Workers' and Peasants' Inspection and How they are to be Understood and Fulfilled', 27th September 1921, *Collected Works,* vol.33, (Moscow, 1973), pp.42-49. This case is discussed in Rees, *State Control,* p.33.

betrayed a poor knowledge of the industry, a lack of data and a generally unprofessional approach.

Lenin was particularly concerned by reports that inspectors were baselessly interrogating important experts and singling them out as saboteurs. He consistently condemned the bullying of specialists, arguing that, although they may be 'bourgeois', *spetsy* [non-party specialists] were crucial to the Soviet project and should be treated respectfully and left to work in peace:

> ...we must at all costs achieve a situation in which specialists—as a separate social stratum, which will persist until we have reached the highest stage of development of communist society—can enjoy better conditions of life under socialism than they enjoyed under capitalism insofar as concerns their material and legal status, comradely collaboration with the workers and peasants, and in the mental plane, i. e., finding satisfaction in their work, realising that it is socially useful and independent of the sordid interests of the capitalist class.[11]

In December 1921 the Chief Engineer of the Moscow waterworks, Vladimir Ol'denborger, committed suicide after a prolonged campaign of bullying at the hands of two Rabkrin agents.[12] Ol'denborger had been in overall charge of the waterworks for over thirty years.[13] Following the establishment of Rabkrin, two inspectors were placed full time to supervise his work. One of these, Makarov-Zemlianskii, was a former clerk under Ol'denborger who had been fired for improper conduct.[14] Now placed in a position of authority over his former boss, Makarov-Zemlianskii, together with the other agent, Senior Inspector Semenov,

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[11] Lenin, 'Role and Functions of the Trade Unions Under the New Economic Policy', 30th December 1921 - 4th January 1922, *Collected Works,* vol.33, p.194. On Lenin's protection of *spetsy* see K.E. Bailes, *Technology and Society under Lenin and Stalin: Origins of the Soviet Technical Intelligentsia, 1917-1941* (Princeton, 1978), pp.47-55.
[12] This case is briefly discussed in Rees, *State Control,* p.36; Bailes, *Technology and Society,* pp.60-61; S. Pirani, *The Russian Revolution in Retreat, 1920-24: Soviet Workers and the New Communist Elite* (London, 2008), pp.187-188.
[13] A.I. Solzhenitsyn, *Arkhipelag Gulag, 1918-1956: Opyt Khudozhestvennogo Issledovaniia* (Ekaterinburg, 2006), p.313.
[14] 'K Samoubiistvu Inzhenera Ol'denborgera ' (On the Suicide of Engineer Ol'denborger), *Pravda*, no.2, 3rd January 1922, p.4; Solzhenitsyn, *Arkhipelag Gulag*, p.313.

incessantly bullied and hounded him.[15] They bombarded their superiors with reports about Ol'denborger's sabotage, though when a commission came to investigate it found nothing wrong.[16] The inspectors then switched to finding ruses to prevent him from conducting repairs and spreading rumours about him among the waterworks staff. Together with the local party cell and a couple of workers, they incessantly ordered the engineer about, giving him urgent and impossible tasks and noting down his failures "for future reference". They prevented him from ordering new boilers from abroad and reported him to the Cheka. Eventually Ol'denborger, who, according to several accounts, had lived for his work, took his own life.[17] Lenin was horrified at this case, describing it as "outrageous" and "scandalous". He demanded all involved be punished in a show trial to draw attention to the wider problem of *spets*-baiting. He also called for the whole case to be exposed in all Soviet newspapers and for *Pravda* and *Izvestiia* to run several articles each.[18] Both Makarov-Zemlianskii and Semenov were fired from Rabkrin, with the former, condemned as a careerist and an intriguer, also banned from any future state service.[19]

Despite Lenin's repeated exhortations and warnings, there was little improvement in Rabkrin's work over the following months, and he found himself increasingly besieged by complaints. Economic organs claimed that the Inspectorate was obstructing their work and hounding their staff. The Commissariat for Justice complained that it was misusing the courts system, clogging it up with countless offenders instead of tackling the red-tape at the heart of the matter.[20] Things came to a head at the beginning of 1923, when Lenin wrote two articles setting out a solution to dealing with the rogue control organ.[21] Characteristically, this

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[15] 'K Samoubiistvu'.
[16] Solzhenitsyn, *Arkhipelag Gulag*, pp.314-315.
[17] 'K Samoubiistvu'; Solzhenitsyn, *Arkhipelag Gulag*, pp.315-316.
[18] Lenin, 'Memo to V.M. Molotov for the Politbureau of the C.C., R.C.P.(B.) with Draft Decisions', 4th January 1922, *Collected Works,* vol.42, (Moscow, 1977), pp.386-387.
[19] 'K Samoubiistvu'. Bailes has noted the mildness of these punishments, suggesting that the show trial was perhaps not as effective as Lenin had hoped. (*Technology and Society,* p.61).
[20] Rees, *State Control,* pp.35, 42.
[21] Lenin, 'How We Should Reorganise the Workers' and Peasants' Inspection', 23rd January 1923 (pp.481-486), and 'Better Fewer, But Better', 2nd March 1923 (pp.487-503), *Collected Works,* vol.33. These articles are discussed in M. Lewin, *Lenin's Last*

involved establishing another layer of control over it. He called for Rabkrin to merge with the party's own watchdog structure, the Central Control Commission (*Tsentral'naia Kontrol'naia Komissiia*, henceforth TsKK). The party leadership had created the TsKK in September 1920 in order to regulate its own ranks and ensure directives were being carried out, and to purge any members who seemed unreliable.[22] In Lenin's proposal, the TsKK would establish supervision over Rabkrin through joint sessions of their respective leaderships and through seconding TsKK members to work in the Inspectorate.[23] Besides bringing Rabkrin under supervision, Lenin believed that being closely associated with the party would boost its prestige in the eyes of the rest of the state apparatus.[24]

Meanwhile, Rabkrin itself would be reformed into a small apparatus of top specialists. Its permanent staff was to be cut from 1,200 to around 400.[25] Candidates for these posts would have to pass a punishing exam to demonstrate their knowledge of both the theory of state administration and the practice of office management.[26] They would also require recommendations from several communists to prove their reliability and commitment to the soviet cause.[27] Through these measures Lenin hoped to entirely rebuild Rabkrin into a model state apparatus to teach and guide the rest of the Soviet bureaucracy:

> ...it will not be immodest to assume that we have learned enough to be able to systematically rebuild at least one People's Commissariat.... this one People's Commissariat will have to be the model for our entire state apparatus.[28]

Struggle. Trans. A.M Sheridan Smith (Ann Arbor, 2005), ch.9; Rees, *State Control,* pp.42-48; C. Read, *Lenin: A Revolutionary Life* (Abingdon and New York, 2005), p.273; L.T. Lih, 'Political Testament of Lenin and Bukharin and the Meaning of NEP', *Slavic Review*, 50 (2), 1991, pp.241-252.

[22] Rees, *State Control,* pp.42-43.

[23] Lenin, 'How We Should', pp. 482, 484-485; Rees, *State Control,* p.45.

[24] Lenin, 'How We Should', p.482. Lenin argued that there was a precedent for this in Narkomindel, in whose policy the Politburo had a large input, and as a result, he claimed, it was the most prestigous narkomat*.* Also see Rees, *State Control,* p.48.

[25] Lenin, 'How We Should', p.482; Rees, *State Control,* p.44.

[26] Lenin, 'How We Should', p.482; 'Better Fewer, But Better', pp.490-491.

[27] Lenin, 'Better Fewer, But Better', p.491.

[28] Lenin, 'Better Fewer, But Better', p.492.

While working on these proposals Lenin suffered a second stroke and was taken to a country house outside Moscow to convalesce. He sent his articles to the rest of the party leadership to discuss. Trotsky reacted with scepticism, suggesting a counter-proposal for a system of political control which bypassed Rabkrin entirely.[29] However, he was defeated at a plenum of the Central Committee on 21st February 1923, which provisionally approved Lenin's plans.[30] After this Trotsky begrudgingly accepted the reform, restricting himself to warnings against treating it as a panacea against all the government's ills.[31]

Control or Production? Krasin vs. the Politburo

A much more outspoken protest came from Krasin. Never afraid to court controversy, Krasin heatedly attacked Lenin's proposals in an article in *Pravda* on the 24th March.[32] Krasin argued that merging Rabkrin with the TsKK would merely create an "*Über*-Rabkrin", with all the problems of the old narkomat reproduced on a much greater scale.[33] He railed against Lenin's plan to recruit the best specialists into Rabkrin, arguing that these individuals were needed in the economic field to do actual work. Krasin claimed that a specialist removed from their industry quickly ceased to be an expert and degraded into an ignorant bureaucrat. Ultimately he believed the new Rabkrin would just end up full of the same "know-it-alls" as before.[34] According to Krasin, control organs naturally attracted a certain type of official, possessed of a proud party history, perhaps having served on the front in the civil war, and consequently imagining themselves to have great authority in any sphere.[35] However in reality all they were capable of was introducing red-tape, delaying work and nitpicking, while being blind to real problems.

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[29] Rees, *State Control,* p.51; Deutscher, *The Prophet Unarmed,* pp.88-89.
[30] Rees, *State Control,* pp.51-52.
[31] Rees, *State Control,* p.52.
[32] L.B. Krasin, 'Kontrol' ili Proizvodstvo' (Control or Production?), *Pravda,* no.65, 24th March 1923, p.4. Krasin's article is discussed in the following: Rees, *State Control,* pp.44-60; Pirani, *The Russian Revolution,* p.212.
[33] Krasin, 'Kontrol' ili Proizvodstvo'; Krasin, 'Otvet Tov. Martynovu' (Reply to Comrade Martynov), *Pravda,* no.82, 15th April 1923, p.3.
[34] "know-it-alls" trans. from "*vseznaiki*".
[35] Thus Krasin's "know-it-all"-ism was similar to Lenin's concept of "communist arrogance" (*komchvanstvo*). See p.183, footnote 71 of this thesis.

Unable to understand how industry worked, Krasin warned that these new inspectors would quickly revert to the old methods of catching and exposing 'wrongdoers', which only undermined productivity:

> We will never get far relying on intimidation, repression and control.... You will never be able to use coercion, to use draconian measures, to get astronomers in our observatories to discover new comets, or to get even ordinary directors in our factories to find new ways to economise on fuel.[36]

Krasin went on to complain that the more the state tried to hedge its enterprises in with regulations, the more it suffocated them and handed initiative to the nepman, and thus, ironically, lost control over the economy.[37] Like Trotsky, Krasin pointed out that the decrees thought up in the Kremlin were often inappropriate to the economic realities on the ground. He argued that Bolshevik economic managers should be given more influence in policy-making in the first place, at the expense of the "writers and pure politicians" currently dominating.[38] As for control, Krasin saw it as an unhealthy obsession which had to be dropped. He argued that the forms of regulation Lenin advocated were the very antithesis of "production", the party's main task now. As long as the party insisted on "controlling" the state economy, there would be no reconstruction:

> This antagonism has not been dreamt up by me, but created in reality by the overly zealous advocates of intensifying control, as if this were the most radical, if not the only medicine for all state illnesses. It is that which forces us, production managers, to frame the question in terms of 'either-or'.[39]

It wasn't long until Krasin met with sharp condemnation from his comrades. The first rejoinder came from Alexander Martynov, formerly a leading figure of Menshevism, who, with the shift to the NEP had reconciled himself to Bolshevik rule and was at this time seeking party

[36] Krasin, 'Kontrol' ili Proizvodstvo'.
[37] Krasin, 'Otvet Tov. Martynovu'.
[38] Krasin, 'Otvet Tov. Martynovu'.
[39] Krasin, 'Kontrol' ili Proizvodstvo'.

membership. In a response in *Pravda,* Martynov rose to defend his former opponent Lenin, "that genius captain of the soviet ship".[40] He argued that with the shift to the NEP, political control remained more important than ever, to ensure that the economy developed to serve the state, and not the private trader. Martynov feared that without party supervision, the economy would suffer "NEP degeneration" and would recover "in a bourgeois fashion". Krasin delivered a cutting response, mockingly applauding the 57-year-old Martynov for still having the courage to undergo a fundamental change in his political allegiances, despite being already in his "autumn years".[41] He went on to suggest that Martynov, as an outsider, was ignorant of the true devastating potential of Soviet-style control:

> Martynov is a recent guest in soviet Moscow, and does not know the lengths we are capable of reaching when we are seduced by some or other idea, especially if there is authoritative support behind it.[42]

This polemic was part of the build-up towards the Twelfth Party Congress of 15-17th April 1923, which was to decide whether to adopt Lenin's ideas once and for all. Lenin himself was unable to attend, having suffered a third stroke on the eve of the Congress. However the Politburo continued to support his proposals, and together with various other prominent Bolsheviks, subjected Krasin to an all-out attack.[43] Their arguments were varied in tone and emphasis but all mirrored Martynov's concern that, without rigorous political control, the economy would recover along capitalist lines. Zinoviev picked up Lenin's favourite analogy of the commercial mentality as an infectious disease:

> Part of our economic managers, forced to work in the bourgeois camp, are on the path towards being contaminated by their NEP environment.[44]

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[40] A.S. Martynov, 'Pust' Bodrstvuiut Konsuly' ('Let the Consuls Keep Vigil'), *Pravda*, no.74, 4th April 1923, p.2.
[41] Krasin, 'Otvet Tov. Martynovu'. "in his autumn years" trans. from *"na sklone dnei".*
[42] Krasin, 'Otvet Tov. Martynovu'.
[43] *Dvenadtsatii S'ezd RKP(b). 15-17 Aprelia 1923 g.* (Moscow, 1968), pp.47-193.
[44] *Dvenadtsatii S'ezd*, p.50.

Meanwhile Kamenev effectively called Krasin the mouthpiece of a new bourgeoisie of *spetsy* and nepmen, whose real motive in resisting party control over the state apparatus was a desire to build up their own rival influence over it.[45] Meanwhile Bukharin accused Krasin of only caring about modernisation, even at the expense of the revolution, and possessing utter disdain for Bolshevik theory.[46] Preobrazhesnskii framed his critique in more reflective terms, stating that he would much rather choose Lenin's path of having the right political control, even if it caused the odd clumsy mistake in production, than Krasin's plan for faultless industrial reconstruction, which was likely to result in a fatal political mistake.[47] Krasin fought his corner against all these onslaughts with fervour, but to no avail.[48] In the end not a single delegate voted against the reform and so, on the last day, the Congress approved the creation of the new "*Über*-Rabkrin".[49]

The Congress had spoken, and had come out unanimously in favour of 'control' over 'production'. At first glance, it would seem the party strongly shared the Politburo's concerns about the NEP economy and the need to place it more firmly under the party's supervision. However, the Politburo itself had got behind the reform primarily because it had come from Lenin, rather than out of fear of a capitalist rebirth. With Lenin's recovery looking ever less likely, the remaining leaders were keen to portray themselves as his successors. Furthermore, the *Triumvirate* of Stalin, Zinoviev and Kamenev had deliberately distorted the spirit of the proposals to serve their own interests.[50] Lenin had intended the reform not only to consolidate the party's hold over the state, but also to check the Politburo's growing domination of the party. He had advocated recruiting more workers from the ranks into the TsKK, and making it a leading party organ on a par with the Central

[45] *Dvenadtsatii S'ezd*, p.156.
[46] *Dvenadtsatii S'ezd*, p.191.
[47] *Dvenadtsatii S'ezd*, pp.142-144.
[48] *Dvenadtsatii S'ezd*, pp.124-130.
[49] *Dvenadtsatii S'ezd*, p.649. As for Krasin himself, he was only a delegate with an advisory role (*delegat s soveshchatel'nym golosom*), and lacked voting rights (*reshaiushchii golos*): *Dvenadtsatii S'ezd*, p.750 (From a list of delegates).
[50] See Rees, *State Control,* pp.60-63, 93.

Committee.[51] The *Triumvirate* adapted this plan, instead making the new TsKK-Rabkrin structure into an executive arm of the Politburo, consolidating their own personal control over both the party and state bureaucracies.[52]

As for the rest of the delegates, these did not represent a fair sample of the attitudes of the party in general. Graeme Gill has traced the ways that, from this Congress onwards, Politburo members employed various means to manipulate the selection of delegates, ensuring the presence of a large proportion of their loyal supporters who would vote for their proposals.[53] Krasin in fact believed his views were widespread in the party. The 'learn to trade' attitude, which had emerged in the foreign trade sphere in 1920, had, with Lenin's encouragement, spread with the advent of the NEP, with many communists taking a serious approach to their new duties in the commercial sphere.[54] By 1923 they had become a widely recognised sub-group nicknamed the *khoziaistvenniki*.[55] Krasin believed all these Bolsheviks naturally shared his misgivings over the reform:

> I can say with confidence that all of us *khoziaistvenniki*, not *spetsy* but party members, literally look in horror at such reforms, and fear

[51] Lenin, 'How We Should', p.482; Rees, *State Control,* p.45.
[52] Rees, *State Control,* pp.63, 93.
[53] G.J. Gill, *Origins of the Stalinist Political System* (Cambridge, 1990), pp.138-159.
[54] Lenin reiterated time and time again the need for communists to drop their '*komchvanstvo*' and have the humility to learn from the bourgeoisie how to work in a commercially successful manner. Lenin, 'The Tax in Kind', 21st April 1921, *Collected Works,* vol.32 (Moscow, 1973), p.353; 'Ninth All-Russian Congress of Soviets', 23rd December 1921, *Collected Works,* vol.32, p.171; 'Eleventh Congress of the RCP(b)', 27th March 1922, *Collected Works,* vol.33, especially pp.255-257, although it is a consistent theme throughout his speeches at the Congress, with the word 'learn' appearing 65 times. Lenin's call to 'learn to trade' is discussed in A.M. Ball, *Russia's Last Capitalists: The Nepmen, 1921-1929* (Berkeley, 1987), p.20; L.H. Siegelbaum, *Soviet State and Society between Revolutions* (Cambridge, 1992), p. 97; A. Nove, *An Economic History of the USSR,* 3rd ed. (London, 1992), p.80. Krasin would often refer to Lenin to defend his 'production' position against claims that he was a deviant from the party centre, allowing him to argue that he was in fact closely aligned with Lenin's own views: 'Otvet Tov. Martynovu'; L.B. Krasin, 'Monopoliia Vneshnei Torgovli i Kapitalisticheskii Mir' (The Monopoly of Foreign Trade and the Capitalist World), in *Voprosi Vneshnei Torgovli,* 2nd ed. (Moscow, 1970), pp.67-69.
[55] Krasin refers to the *khoziaistvenniki* in 'Kontrol' ili Proizvodstvo'. Also known as communist managers or red directors, their emergence is traced in the following works: E.H. Carr, *The Interregnum 1923-1924* (London, 1978), pp.40-46; D.P. Koenker, 'Factory Tales: Narratives of Industrial Relations in the Transition to NEP', *The Russian Review,* 55 (3), 1996, pp.384-411; Bailes, *Technology and Society,* pp.63-64; Pirani, *The Russian Revolution,* pp.177-179.

> unbelievable devastation in the production sphere and in our already badly co-ordinated apparati.[56]

Even Kamenev admitted that Krasin did not speak alone but for a whole sub-group of the party, while Martynov claimed he had written his article out of fear that anti-control views were already far too popular among the *khoziaistvenniki*:

> With a thousand examples they have illustrated the currently pervasive idea that our state apparatus is infected with lifeless bureaucratism, that the constant interference in the economic sphere by controllers-dilettentes, conducting raids, technically ignorant, unfamiliar with local conditions, lacking practical experience, but filled with 'communist arrogance', acts as a great hindrance to our industrial reconstruction.[57]

Krasin even suggested that many delegates present at the Congress secretly agreed with him, including narkomy, perhaps hinting at Trotsky. However they were too afraid of the powerful opposition to stand up at the lectern.[58]

> Ask any Narkom, although I don't know whether they'll come out here and say so; it is not exactly a safe space for such announcements (laughter).[59]

By this time, Krasin was too much of a marginal figure in Soviet politics for many communists to want to openly identify with him. Without Lenin, he had no supporters in the Politburo.[60] According to Avel' Yenukidze, a close confidante of Stalin, the General Secretary "pathologically couldn't

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[56] Krasin, 'Otvet Tov. Martynovu'. Also see Krasin, 'Kontrol' ili Proizvodstvo'; *Dvenadtsatii S'ezd*, p.125.
[57] Martynov, 'Pust' Bodrstvuiut Konsuly'.
[58] *Dvenadtsatii S'ezd*, p.125.
[59] *Dvenadtsatii S'ezd*, p.125.
[60] In the early 1920s Krasin and Trotsky found they had views in common, on both the harmful nature of separate state regulatory organs on the economy and the need for the monopoly on foreign trade. However in this case Krasin himself was warned by Yenukidze to avoid being associated with Trotsky, as already by this stage he considered it tantamount to political suicide: S.I. Liberman, *Building Lenin's Russia* (Chicago, 1945), p.167.

stand Krasin".[61] Furthermore, he had made his argument in extreme, highly controversial tones. Responding to Martynov's fears of a bourgeois economic restoration, Krasin had exclaimed:

> God be praised if only our railways could work in a bourgeois fashion.[62]

Supporting such a maverick was indeed not a safe option.

Khoziaistvennik Voices

Nevertheless, archives of economic organs reveal that the problems Krasin had outlined were indeed the bane of many *khoziaistvennikis'* lives. Almost echoing Krasin's warnings about repressing specialists, Lezhava petitioned Sovnarkom in 1923 to curtail the use of the death penalty on those accused of economic crime:

> From my everyday interactions with large numbers of our economic workers, both party members and otherwise, I have taken away a definite conviction that when we use a court sentence to obliterate individual criminals who stand out for their practical intelligence and energy, we simultaneously kill the energy, creativity, and initiative of the honest and loyal cadres who remain among the living…. Honest officials' will to work and to create is killed by these verdicts…[63]

One communist official who felt his energy and creativity crushed by the fear of punishment was A. Shik, head of a fat-processing plant in the Petrograd area. Unable to find coconut oil, a vital raw material for his operations, at home, he negotiated a deal with a foreign supplier to obtain it overseas.[64] When he came to apply to Petrovneshtorg for an import licence, however, Begge refused him, explaining that SZGT actually had a supply of coconut oil for sale within the republic. However,

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[61] Liberman claimed that Krasin's daughter confided in him in winter 1922: "Avel Yenukidze tells us Stalin pathologically can't stand Daddy, and Stalin is the boss": *Building Lenin's Russia,* p.166. On Yenukidze's relationship with Stalin see p.167.
[62] Krasin, 'Otvet Tov. Martynovu'.
[63] Quoted in J. Hessler, *A Social History of Soviet Trade* (Princeton, 2004)*,* pp.85-86.
[64] TsGA SPb, f.8, op.1, d.2097, ll.174-193: Various correspondence on Shik's case 9th-30th September 1922.

whereas Shik had managed to negotiate a price of two million roubles per pud with the foreign supplier, SZGT demanded thirty-five million per pud for their oil. Shik dared not accept this grossly inflated price, fearing repercussions under Article 128 of the Criminal Code, which threatened at least a year's imprisonment for wasting an enterprise's resources.[65] Thus he found himself at a dead end, with no way to continue his operations without committing a crime. Overwhelmed by the stifling laws and their arbitrary implementation, allowing some enterprises to die and others to get rich through speculating, he wrote to Begge in despair:

> Perhaps Gostorg's policies are right, but it seems to me that Gostorg doesn't exist for this, especially not in Piter [Petrograd] with its special traditions and aspirations. I would very much like to hear from you, Comrade Begge, whether I am right, or if NEP has created a permissiveness of the Karamazov kind right up to the point that state industry is allowed to die and speculation to flourish. Then I of course must leave this world. I have other notions.[66]

The head of the Berlin torgpredstvo, long-serving Bolshevik Boris Stomoniakov, experienced a similar sense of frustration when he was visited by a team of controllers in 1922. The torgpredstva were Vneshtorg's executive arms overseas. As such, they conducted all Soviet purchases and sales abroad. Even after state organs were permitted to access the foreign market directly from 1922, the technical side of the transaction still had to be carried out by the torgpredstvo of that country.[67] Naturally as the NEP gathered steam they quickly found themselves the subject of all the same accusations levelled at the gostorgi and the rest of Vneshtorg; of using their power to engage in

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[65] *Ugolovnyi Kodeks RSFSR Redaktsii 1922 goda:* http://www.law.edu.ru/norm/norm.asp?normID=1241523&subID=100096269,100096272,100096340,100096432#text [accessed 13.03.2019].
[66] TsGA SPb, f.8, op.1, d.2097, ll.191-191a: Letter from A.O. Shik to K.M. Begge, 9th September 1922. The second sentence (original "*Karamazovskoe vse dozvoleno*") refers to a quote from Dostoevsky characterising the character Ivan's philosophy in the novel *The Brothers Karamazov*: "If there is no god, then anything is permissible" ("*Esli Boga net, vse dozvoleno"*): K. Dushenko, *Tsitati iz Russkoi Literaturi. Spravochnik*. Electronic book (2018): https://books.google.ru/books?id=HV86Vsa3_OkC&pg=PT244&dq [accessed 21.05.2018].
[67] GARF, f.R-130, op.6, d.560, l.19: From 'Summary of the Activities of NKVT for July-September 1922'.

multiple forms of corruption. In 1922 the head of Rabkrin's IVS, Bezrukov, complained to his chief, Collegium member Alexei Sviderskii, of an "ingrained culture of bribery" in the torgpredstva and requested permanent IVS branches be set up within each one to wipe it out.[68] However, around the same time reports of criminality started to reach the Sovnarkom, which launched its own commission to investigate all soviet organs overseas. Stomoniakov's representation received a particularly damning report.[69]

The commission accused the torgpredstvo of habitually entering into deals with foreign firms "that were not serious enough and were not honest".[70] State controllers were just as suspicious about the torgpredstvas' choice of business partner as they were about those of the gostorgi at home. They demanded torgpredstva work only with reputable firms listed in trade directories, fearing that small and obscure middle-men may be a cover for bribery and embezzlement. Like the gostorgi, the torgpredstvo would typically respond by pointing to local norms and conditions, and highlighting the importance of personal connections for building networks and doing business in a timely manner.[71] Stomoniakov pointed out that several Soviet leaders who had visited Berlin and observed the torgpredstvo's work for themselves had in fact found it unreasonable for it to expect to work only with the most prestigious firms. They had even criticised it in cases where it had insisted on doing so. Vneshtorg Deputy Mosei Frumkin had accused the torgpredstvo of

[68] GARF, f.R-4085, op.18, d.62, ll.111-111a: 'On the Question of Bribery in Institutions Controlled by IVS and the Means of Fighting it'. Report from Deputy Head of IVS Bezrukov to Member of RKI Collegium A. Sviderskii, 1922.
[69] RGAE, f.413, op.2, d.1508, ll.66-81: 'Protests against the Document "Conclusions of Commissions of Sovnarkom on investigating foreign representations of RSFR"'. From B. Stomoniakov to J.V. Stalin, 9th January 1923.
[70] RGAE, f.413, op.2, d.1508, l.75: From 'Protests'.
[71] An example of this antagonism can be seen a dispute between the Soviet Trade Delegation in London and its executive arm, Arcos (The All-Russian Co-operative Society), in September 1921. The Delegation accused Arcos Director Vasilii Krysin of using middle-men who resembled "a gang of petty speculators" ("*shaika melkikh' spekulantov"*) and treating them with a leniency that deviated from official practice and harmed state interests. Krysin responded that they were in fact reputable firms and they conducted business according to British commercial norms (AVP RF f.04, op.20, d.288, ll.4-5: Letter from London Trade Delegation to Arcos, 1st September 1921, and ll.6-8: Reply to Trade Delegation from Arcos Director V.A. Krysin, between 1st and 9th September 1921). In this case the account of Solomon, a co-director of Arcos, backs up the Trade Delegation's criticism, as he argued that Krysin, through naivety, ended up surrounded by a gang of crooks: G.A. Solomon, *Sredi Krasnykh Vozhdei: Lichno Perezhitoe i Videnoe na Sovetskoe Sluzhbe,* vol.2 (Paris, 1930), p.515.

dogmatism and zealotry, while Narkomindel' chief Georgii Chicherin had noted that such behaviour was arousing dissatisfaction in German business and state circles.[72]

The commission had also criticised Stomoniakov for his choice of personnel:

> The majority of torgpredstvo personnel have nothing in common with the interests of the working class and quitted Russia after 1917-18 i.e. they belong to White emigration.

Also:

> The presence of a large number of personnel, alien to the interests of the working class or hostile to them, is confirmed by data about social makeup.[73]

Elsewhere the report pointed out that there were not enough communists and too many foreigners.[74] Stomoniakov responded with bewilderment to these complaints. He argued he had no choice but to employ emigrants and Germans because it was near impossible to get Narkomindel to grant passports for Soviet citizens to leave Russia.[75] Besides, he argued, even if he could get Soviet workers and peasants to come and work for him, would they have the expertise to negotiate highly complex international trade deals?[76] Stomoniakov defended his current workforce as being both loyal and qualified. The Russian emigrants in his staff were not Whites, he argued, they had come to Germany long before the revolution and had since gained invaluable knowledge of the language and business culture. As for his German employees, Stomoniakov resented the way the commission had equated their nationality with being bourgeois, arguing that many of them were in fact communists and workers.

Thus, while the party had officially dismissed Krasin's arguments against rigid control measures, in reality his views were shared by many

[72] RGAE, f.413, op.2, d.1508, l.75: From 'Protests'.
[73] RGAE, f.413, op.2, d.1508, l.68: From 'Protests'.
[74] RGAE, f.413, op.2, d.1508, l.69: From 'Protests'.
[75] RGAE, f.413, op.2, d.1508, l.68: From 'Protests'.
[76] RGAE, f.413, op.2, d.1508, l.68: From 'Protests'.

communists working on the economic front, who were used to experiencing the consequences first-hand. However, was Krasin right in presenting the two outlooks as incompatible? *Khoziaistvenniki* were still party members, and as such had a commitment to exerting political supervision over their surroundings. They were expected to somehow find a balance between control and production.

Part Two: Perspectives from the Party Cell

The Central Committee expected *khoziaistvenniki* to conduct numerous party duties on top of their economic work.[77] They were, like Rabkrin, to ensure that Soviet policies were being implemented and to stamp out any form of sabotage or neglect of duties. On top of this they were expected to execute all political orders of party organs, and to agitate among the workers of the institution, developing their class consciousness and motivating them in their work. In order to co-ordinate all these duties, communists of each institution or enterprise were required to form their own party cell or collective.[78] In turn, the cell would elect a bureau of three members to direct its energies.

As usual, however, there was a degree of ambiguity in the instructions coming from the centre. The extent to which the cell could interfere in the work of the institution was left unclear.[79] A set of instructions issued by the Petrograd party organisation stated that cells were forbidden from directly interfering in the work of state organs. Yet at the same time it gave them the right to move staff around to ensure that each department had a strong communist core, undermining the organ's control over appointing and managing its own cadres.[80] Rather than clarifying the exact forms of interaction between the two bodies, the

[77] On the party duties of *khoziaistvenniki*: TsGAIPD SPb, f.R-1127, op.1, d.3, l.1:'Instructions to Collectives of the Petersburg organisation of RKP' by the Organisational-Instructor Department of the Petrograd committee, N.D.
[78] On the structure and responsibilities of the party cell: TsGAIPD SPb, f.R-1127, op.1, d.3, l.1:'Instructions to Collectives...'.
[79] This has also been noted by R. Sakwa, *Soviet Communists in Power: A Study of Moscow during the Civil War, 1918-21* (Basingstoke, 1988), p.124.
[80] TsGAIPD SPb, f.R-1127, op.1, d.3, l.1: 'Instructions to Collectives...'.

party centre limited itself to vague utterances that neither should overly dominate the other. For example, a survey sent out to cells in 1923 asked the following question:

> How is the supervision over the work of the administration implemented? ... Is there a tendency to over-dominate the administration? Is there the reverse tendency - to turn into an executive body of the administration?[81]

Thus it was left to the cell members on the ground to try to find a sense of balance between their production and control duties.

The Party Cell in Petrovneshtorg[82]

The Petrograd foreign trade sphere, being the primary gateway of the republic's imports and exports, was one in which the party especially wished to concentrate its forces. While many other cells contained less than 3% of the total workforce, the proportion of communists in Petrovneshtorg steadily increased from 12% to 21% between July and November 1922.[83] These communists, together with their comrades in SZGT and the Department of Artistic Valuables, made up the Petrovneshtorg party cell.[84] The cell was run by a bureau whose membership changed several times during the first two years of its existence.[85] A consistent face throughout, however, was Begge, who

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[81] TsGAIPD SPb, f.R-1127, op.1, d.13, l.39: From 'Materials for Studying Institutional Collectives', N.D.

[82] The study of this cell is based on materials from TsGAIPD SPb, f.R-1127, op.1. This is primarily a collection of protocols of the meetings of the cell and its bureau between 30th July 1921 and 12th December 1923.

[83] On the proportion of communists in Petrovneshtorg: f.R-1127, op.1, d.4, l.11: Letter from the Bureau of the Collective to the Petrograd Party Committee, mid-November, 1922. The letter also states: "we have a rare proportion of communists and this keeps rising". On the proportion of communists in other institutions see Read, *Lenin,* p.244.

[84] TsGAIPD SPb, f.R-1127, op.1, d.13, l.40: From a set of responses to 'Materials for Investigating the RKP Collective within the North-Western branch of NKVT', 1923.

[85] The first bureau was made up of Polozov, Garetovskii, Garber and Begge. (TsGAIPD SPb, f.R-1127, op.1, d.2, l.1: 'Protocol of the Meeting of the Collective', 30th July 1921). The membership changed in August and again in November 1921 (d.1, l.1-3: 'Protocols of the Meeting of the Bureau of the Party Collective within North-Western NKVT', 17th August and 23rd November 1921). By 1st July 1922 the composition, apart from Begge, was entirely different: Mikhailov, Begge, Katilev, Semenov, and Farafonov (d.7, l.18: 'Protocol of the Meeting of the Bureau...', 1st July 1922). Several early members ended up subjected to disciplinary measures by their predecessors for abuse of position. See below discussions of Garetovskii and Antonov, p.233 of this thesis.

managed to balance this responsibility with his position as head of Petrovneshtorg itself.

At the meetings of this bureau, one of the main items on the agenda was invariably the fate of cell members accused of abusing their positions at work. Often the bureau would become aware of these offences before state investigators, and it tried to resolve them itself as a first resort. With one of its aims being to bond the cell into a tight-knit collective, it preferred not to betray a comrade to the GPU if it could help it.[86] It often concluded a case simply by warning an offender or demoting them to less responsible work within the institution.[87] More complex and ambiguous cases were referred to the local party Conflict Commission, made up of workers, managers and trade union members, for resolution.[88] It was only particularly serious cases that the bureau passed on to the GPU alongside recommending the offender be expelled from the party.[89]

The protocols of the bureau's meetings reveal the types of crimes the cell members tended to be involved in and how the bureau reacted to them. The ways these communists responded to the behaviour of their

[86] The concern with bonding can be seen in the following: TsGA IPD SPb, f.R-1127, op.1, d.13, l.1: 'Informational Summary of the RKP(b) Collective of SZOU NKVT for February 1923': "...there is no feeling of solidarity and ideological bonding (*splochennosti i ideinoi spaiki*) in the Collective.... the bureau are fighting this..."; d.8, l.15: 'Protocol of the Meeting of the Collective', 14th August 1922: Following the re-election of the bureau in summer 1922 cell member Kresin commented that with the election of the new bureau the sense of bonding (*spaika*) in the cell was becoming much stronger.
[87] Some cases where offenders received warnings: TsGAIPD SPb, f.R-1127, op.1, d.7, l.46a: From 'Protocol of the Meeting of the Bureau...', 18th November 1922; d.13, l.38: From 'Report on the work of the Bureau, 14th August 1922-9th February 1923'; d.15, l.43: 'Protocol of the Meeting of the Bureau...', 1st August 1923. Some cases where offenders received demotion: TsGAIPD SPb, f.R-1127, op.1, d.15, l.28: 'Protocol of the Meeting of the Bureau...', 13th June 1923; d.15, l.43: 'Protocol of the Meeting of the Bureau...', 1st August 1923.
[88] On the Conflict Commission: TsGAIPD SPb, f.R-1127, op.1, d.8, l.7: 'Protocol of the Meeting of the Collective', 6th March 1922. Some cases which were handed to the Conflict Commission: d.7, l.14: 'Protocol of the Meeting of the Bureau...', 9th June 1922; l.16, 'Protocol of the Meeting of the Bureau...', 17th June 1922; l.20: 'Protocol of the Meeting of the Bureau...', 7th July 1922.
[89] Some cases where the Bureau recommended the offender be expelled from the party: TsGAIPD SPb, f.R-1127, op.1, d.7, ll.28-28a: 'Protocol of the Meeting of the Bureau...', 18th August 1922; d.15, l.28a: From 'Protocol of the Meeting of the Bureau...', 13th June 1923. Some cases which were passed to the GPU: TsGAIPD SPb, f.R-1127, op.1, d.7, l.56a: From 'Protocol of the Meeting of the Bureau...', 30th December 1922; TsGAIPD SPb, f.R-1127, op.1, d.15, l.21: From 'Protocol of the Meeting of the Bureau...', 9th May 1923.

errant comrades reveal their attitudes to the commercial environment in which they found themselves.

Bolshevik Offences[90]

One prominent type of offence involved the use of an official position to profit family members in private business. In June 1922 the bureau discussed the case of a comrade Rezvov, who had offered a colleague working in SZGT's Food Department a billion rouble bribe to sell flour to his father.[91] A year later it demoted Chudnovskii, Deputy Manager of Petrovneshtorg's Licensing Department, who had divulged classified information to his brothers who were private suppliers, thus giving them an illegal advantage.[92] Around the same time comrade Girshov, a clerk in SZGT's Licensing Department, was issued a strict reprimand after buying up *chervontsy*, the new gold-backed currency issued to his colleagues in their salaries, to give to his brother and uncle who ran a private enterprise.[93]

Another common offence was the embezzlement of state funds. In August 1922 the bureau discussed the case of Comrade Gneushev. In a former position as local trade union head he had kept part of a ration fund for workers, and on another occasion taken 93 million roubles belonging to the union. More recently he had misappropriated 870 million

[90] This section has split the offences discussed at the bureau meetings into several different types in order to characterise them. It is likely that that some offences actually included elements of several of these categories at once, or perhaps warrant a different categorisation altogether. However the scope for understanding the nature of the offences is limited by their rather cursory descriptions in the protocols, typically comprising just three to four sentences.
[91] TsGAIPD SPb, f.R-1127, op.1, d.7, l.14: 'Protocol of the Meeting of the Bureau...', 9th June 1922. The enormous bribe, or "private fee" ("*chastnoe voznagrazhdenie"*) as it was called in the report, reflects the shortage of food on the market, making any edible good a hot commodity. Thus Revzov would have been confident he and his father would make a return on their sale. Ball, *Russia's Last Capitalists,* p.85.
[92] TsGAIPD SPb, f.R-1127, op.1, d.15, l.28: 'Protocol of the Meeting of the Bureau...', 13th June 1923.
[93] TsGAIPD SPb, f.R-1127, op.1, d.15, l.43: 'Protocol of the Meeting of the Bureau...', 1st August 1923". On paying workers in *chervontsy* see A.A. Il'iukhov, *Kak Platili Bolsheviki: Politika Sovetskoi Vlasti v Sfere Oplaty Truda v 1917-1941 gg.* (Moscow, 2010).

roubles which he was supposed to place in a fund for unemployed workers, and been involved in various other acts of theft.[94]

Many abuses were connected with the SZGT shop. This was a food shop run by SZGT for its employees.[95] Staff could buy imported food there at less than wholesale price.[96] Naturally, the fate of these goods was a constant focus of regulatory control. Rabkrin's IVS conducted several investigations in late 1922 and early 1923, suspicious that employees were stealing from the shelves, and that customers were buying food not for their own consumption, but to stock their own private businesses.[97] The bureau of the party cell was concerned that communists, even fellow members of the bureau, were not setting an example in this respect. In summer 1922 it referred comrade Garetovskii, who had been a founding member of the bureau itself, to the Conflict Commission after he was accused of taking goods from the shop illegally.[98] Around the same time comrade Moskvin had demanded the shop staff give him food supplies, claiming he had the authorisation of Antonov, who at the time had been bureau chairman. The latter vehemently denied this, but he had already lost the trust of his comrades following a series of incidents in his work in the SZGT, and he soon found himself removed from his post.[99] A year later Farafonov, another bureau

[94] TsGAIPD SPb, f.R-1127, op.1, d.7, ll.28-28a: 'Protocol of the Meeting of the Bureau...', 18th August 1922. Other cases of embezzlement: TsGAIPD SPb, f.R-1127, op.1, d.15, l.9: 'Protocol of the Meeting of the Bureau...', 28th February 1923, and l.21a of same, for 9th May 1923.

[95] TsGA SPb, f.R-8, op.1, d.2093, ll.517-517a: From an IVS Act of Inspection into the SGZT food shop (*prodlavka*) in Aleksandrovskii village, on the Sestroretskii-Primorskii railway line, 16th November 1922.

[96] Staff had 5% discount on the wholesale price: TsGA SPb, f.R-8, op.1, d.2097, l.13: From a report of an IVS investigation of SZGT on 21st-28th June, 1922, by Senior Inspectors V.N. Budanov and Gerr, and Inspectors Zhorzhen and Mikhailov, sent to IVS manager Sondak.

[97] An IVS inspection in January 1923 had uncovered thefts from the till and missing products unaccounted for (TsGA SPb, f.R-8, op.1, d.764, l.48a: From 'Report of Inspectorate', January 1923). An inspection in November 1922 found that the shop was serving a total of 600 individuals. The total number of SZGT employees for February 1923 was just 357. Furthermore some individuals and organisations were being given goods with huge discounts, or for free. Others were given way above the legal norms (TsGA SPb, f.R-8, op.1, d.2093, ll.517-519: IVS Act of Inspection into the SZGT food shop..., and d.2097, ll.141-142: Evaluation of the Inspection, N.D.; TsGA SPb, f.R-8, op.1, d.764, l.48: 'Report of Inspectorate'; TsGAIPD SPb, f.R-1127, op.1, d.13, l.40: From a set of responses to 'Materials for Investigating...').

[98] TsGAIPD SPb, f.R-1127, op.1, d.7, l.20: 'Protocol of the Meeting of the Bureau..', 7th July 1922.

[99] TsGAIPD SPb, f.R-1127, op.1, d.7, l.27a: 'Protocol of the Meeting of the Bureau...', 12th August 1922. He was removed from the bureau following new elections in July 1922

member, was purged from the party for buying items from the shop to give to a priest, who, as an ideological enemy of the Proletarian Dictatorship was certainly not entitled to receive food subsidised by it.[100]

Other common offences included using the party's authority to protect suspicious individuals, for example comrade Girshov wrote a letter of recommendation for an arrested Menshevik relative, and expected the bureau to sign it.[101] Theft from warehouses, that issue that so preoccupied the IVS, was also a concern for the bureau, with cell members appropriating items as diverse as jars of conserves, light bulbs and typewriters.[102] Drunkenness was frequently encountered, both at the workplace, and during business trips, the latter often accompanied by an undefined "debauchery".[103] Other misdemeanours included rudeness, arrogance to colleagues and neglect of duties.[104]

Blaming the *Spetsy*

Thus the bureau were constantly confronted by the fact that it was not only greedy and cynical bourgeois specialists who abused their position in the Soviet service. Their own comrades, some of whom had been longstanding party members ready to risk their lives for the revolution, were little better. It strove to make ideological sense of this strange phenomenon. Bureau members commonly adopted the outlook of

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(d.7, l.18: 'Protocol of the Meeting of the Bureau', 1st July 1922). By the end of the year the new bureau pronounced the former chairman "completely incapable" (d.7, l.56: 'Protocol of the Meeting of the Bureau...', 39th December 1922).

[100] TsGAIPD SPb, f.R-1127, op.1, d.15, l.28: 'Protocol of the Meeting of the Bureau...', 13th June 1923.

[101] TsGAIPD SPb, f.R-1127, op.1, d.15, l.17a: 'Protocol of the Meeting of the Bureau...', 18th April 1923; d.15, l.43: 'Protocol of the Meeting of the Bureau', 1st August 1923. Another case of giving inappropriate recommendations: d.7,7a: 'Protocol of the Meeting of the Bureau...', 6th May 1922.

[102] TsGAIPD SPb, f.R-1127, op.1, d.13, l.14: 'Informational Summary... for March 1923'; d.13, l.16: 'Informational Summary... for April 1923'; d.15, ll.2, 9, 17a: 'Protocol of the Meeting of the Bureau...' for 27th January 1923, 28th February 1923, and 18th April 1923 respectively; d.16, l.8a: 'Protocol of the Meeting of the Collective', 1st March 1923.

[103] "Debauchery" trans. from *"deboshe"*. TsGAIPD SPb, f.R-1127, op.1, d.7, l.47a: 'Protocol of the Meeting of the Bureau...', 25th November 1922; d.15, ll.11-12, 43, 56, 73: 'Protocol of the Meeting of the Bureau' for 21st March 1923, 1st August 1923, 19th September 1923, and 12th December 1923 respectively.

[104] Rudeness: TsGAIPD SPb, f.R-1127, op.1, d.7, ll.7a, 51: 'Protocol of the Meeting of the Bureau...' for 6th May 1922 and 9th December 1922 respectively. Neglect: d.7, ll.7a, 46a, 47a, 51: 'Protocol of the Meeting of the Bureau...' for 6th May 1922, 18th November 1922, 25th November 1922, and 9th December 1922 respectively.

Zinoviev at the Twelfth Party Congress, that *khoziaistvenniki*, having to work alongside both *spetsy* and nepmen*,* were easily infected by their moral corruption. In a report to his party superiors, bureau member Abram Nemirovskii offered the following explanation for communist abuses in SZGT:

> As can be seen the overwhelming majority of staff are petty-bourgeois clerks. Our party members have to work directly with them. They also have to work directly with outsider elements: buyers, sellers, and counter-agents. All this has a negative influence on party members, and as will be seen, brought some of them to commit completely anti-party acts, which led them to the Conflict Commission.[105]

Although Petrovneshtorg had an unusually high proportion of communists in its workforce, in SZGT, where commercial experience was more crucial, party members were indeed stretched thin; in February 1923 there were only nine out of a total of 357 employees.[106] The bureau used the influence of non-communists to explain the cases of Girshov, who speculated with *chervontsy*, and Paegle, accused of drunkenness and debauchery during a business trip, emphasising the "effect of petty bourgeois and NEP elements on cell members".[107] Another deviation was excused with the following phrase:

> Sometimes members of the party fall under the influence of non-party staff, mainly *spetsi*.[108]

The bureau even put low attendance at cell meetings down to a "petty-bourgeois influence on members' psychology" and a "deviation towards

[105] TsGAIPD SPb, f.R-1127, op.1, d.22, l.17: Report from the Bureau to Raikom [*Raionnyi Komitet:* the District Party Committee] for 1923.
[106] TsGAIPD SPb, f.R-1127, op.1, d.13, l.40: From a set of responses to 'Materials for Investigating...'.
[107] TsGAIPD SPb, f.R-1127, op.1, d.13, l.24: 'Informational Summary... for July 1923'.
[108] TsGAIPD SPb, f.R-1127, op.1, d.13, ll.30-31: 'Informational Summary... for October 1923'.

meshchanstvo", a term synonymous with the worst 'bourgeois' traits of narrow-mindedness, selfishness and philistinism.[109]

Some bureau members tried to redress the political imbalance in the workforce by firing 'bourgeois' specialists, a measure that would have horrified not only Krasin but Lenin himself. Extensive redundancies were common in many state agencies in the early 1920s, as managers struggled to adapt to khozraschet and become self-sufficient. Bureau organiser Ivan Mikhailov, head of a redundancies commission for the Petrograd foreign trade organs, aimed to place the brunt on non-communists, saving as many comrades' jobs as possible. Between April and November 1922, the proportion of communists among Petrovneshtorg staff increased by 12%.[110] Mikhailov boasted that he had not fired a single communist during the process, which saw the overall number of staff reduced by almost 300.[111] He even celebrated cases where non-party specialists had been replaced by less qualified Bolsheviks, on the following grounds:

> a communist, even one who is a poorer worker, is always desirable for an institution, as his flaws are compensated by loyalty, stamina and trustworthiness.[112]

In a similar vein another bureau member boasted the following spring about how they had purged various Mensheviks, dealers and speculators from senior positions in SZGT and replaced them with communists, giving "the most positive results".[113] Even where there was no basis for removing non-communists, for example when they were found to be

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[109] TsGAIPD SPb, f.R-1127, op.1, d.13, l.1: 'Informational Summary... for February 1923'. On the term *meshchanstvo* see T. Szamuely, *The Russian Tradition* (London, 1974), pp.199-200.
[110] TsGAIPD SPb, f.R-1127, op.1, d.4, l.11: Letter from the Bureau of the Collective to the Petrograd Party Committee, mid-November 1922.
[111] The workforce shrank from 630 to 335 for the period between April to November 1922, while the number of communists increased from 58 to 71: TsGAIPD SPb, f.R-1127, op.1, d.4, ll.2-6: Data on number of workers in the institution and party members in the collective between 1st April and 1st August 1922; l.11: Letter from the Bureau...
[112] original: "*kommunist, dazhe i bolee slabyi kak rabotnik, vsegda zhelatelen dlia uchrezhdeniia, tak kak ego nedostatki kompensiruiutsia predannost'iu, vyderzhkoi i tem doveriem kotoroi emy mozhno okazat'*": TsGAIPD SPb, f.R-1127, op.1, d.4, l.11: Letter from the Bureau...
[113] TsGAIPD SPb, f.R-1127, op.1, d.13, l.41: From a set of responses to 'Materials for Investigating...'.

non-political specialists innocent of any infringement, the member still viewed these individuals with hostility due to their potentially infectious bourgeois mentality:

> In the central accountant office there are only two communists, the rest are mainly intelligentsia with a petty-bourgeois outlook. They do nothing against the party, but still, they're not our kind of people.[114]

The bureau, however, had a strategy to deal with these remaining specialists. Influence was not a one-directional flow; if the bourgeoisie was able to corrupt honest communists with their doctrine of greed and selfishness, so too could the party re-educate the *spetsy* in the ways of Marx and Lenin. The bureau encouraged the cell to initiate the non-communists into their world and guide them towards moral and political rehabilitation.[115] It set up a party school and a Marxist reading group which it urged them to attend, and a library which they could make use of. The cell also organised open meetings, shows, concerts and children's mornings, which it invited non-party members to. At a celebration of the twentieth anniversary of the party, 'bourgeois' colleagues were encouraged to share stories about their encounters with party heroes during the revolution. Cell members also organised bonding evenings so that they and their non-communist counterparts could get to know each other better.[116] The bureau boasted to its superiors that these efforts had met with success, claiming that the cell's outstretched hand had been grasped enthusiastically by the non-party staff, especially the younger clerks. The party school apparently enjoyed particular popularity, with non-communists in high attendance with "good moods" and "a strong desire to learn".

Thus, echoing the sentiments of the Politburo*,* some bureau members saw themselves as engaged in a war of influence with the non-

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[114] "...but still, they're not our kind of people" trans. from *"no vse zhe liudi ne nashi"*: TsGAIPD SPb, f.R-1127, op.1, d.13, l.41: From 'Materials for Investigating...'.
[115] The bureau reported on the cell's efforts to win over the 'bourgeois' specialists in a series of monthly summaries on its work: TsGAIPD SPb, f.R-1127, op.1, d.13, ll.1-1a, 14-14a, 16, 26-27: 'Informational summary...' for February, March, April, and August 1923 respectively. They are also outlined in d.13, l.38: From 'Report on the work of the Bureau, 14th August 1922-9th February 1923'.
[116] "bonding evenings" trans. from *"vechera spaiki".*

party staff. The 'bourgeois' specialists had to be filled with Bolshevik spirit, otherwise they would corrupt their communist colleagues and cause them to abuse their positions. However, this was not the only prism through which the bureau made sense of erring comrades.

Begge: A Balancing Force

Karl Begge, who enjoyed an unusually constant presence in the bureau during the cell's early years, had a different perspective. Begge was a prominent Petrograd *khoziaistvennik*, being the head not only of Petrovneshtorg itself, but also of the local branch of the Soviet merchant navy, the chamber of commerce, and a member of the North-Western EKOSO, a council for co-ordinating the region's economy.[117] Begge was an old Bolshevik with a proud history, hailing from a proletarian background, having joined the party back in 1902, and undergone prison, hard labour, and emigration for the cause.[118] As such, he was not immune to displays of *komchvanstvo*, the capricious conceitedness that Lenin despised in communist officials.[119] In a conflict with a local co-operative over some gold roubles, he admitted to announcing "I'm the boss, I'm keeping them".[120] Nevertheless, Begge enjoyed the respect of his Vneshtorg chief, Krasin, who saw him as a serious economic manager. Krasin made Begge part of his Vneshtorg Collegium, thus giving him input into policy-making.[121] Then, in 1925, when Stomoniakov moved to a new post in Narkomindel, Krasin made Begge head of the

[117] TsGAIPD SPb, f.R-1127, op.1, d.13, l.40: From a set of responses to 'Materials for Investigating...'.
[118] TsGAIPD SPb, f.R-1127, op.1, d.13, l.40: From a set of responses to 'Materials for Investigating...'; TsGAIPD SPb, f.R-1127, op.1, d.20, l.2: From a set of biographical data on the members of the party collective: entry for K.M. Begge, between 1922-1923.
[119] See p.183, footnote 71 of this thesis.
[120] Trans. from *"Ia plachu, Ia derzhu"*: TsGAIPD SPb, f.R-1127, op.1, d.7, l.4: 'Protocol of the Meeting of the Bureau...', 15th April 1922. Begge's subordinates seem to have feared to tread on his ego. When confronted about delays in unloading a shipment of urgent imports, a local official admitted feeling unnerved at approaching Begge to seek answers: "Board Member Comrade Begge sits on the NKVT In Petrograd, and we don't have the right to make orders of him": TsGASPb, f.8, op.1, d.2094, l.33: Communication from IVS Senior Inspector M.G. Kleiman to Head of Rabkrin's Transport-Customs Department, 21st February 1922.
[121] TsGAIPD SPb, f.R-1127, op.1, d.13, l.40: From a set of responses to 'Materials for Investigating...'. On the Collegiate system see L. Cook, 'Collegiality in the Peoples' Commissariats, 1917-1920', *Revolutionary Russia*, 26 (1), 2013, pp.1-31.

Berlin torgpredstvo.[122] This was one of the most crucial positions in the Vneshtorg structure. Soviet economic policy heavily depended on the import of German technology and machinery.[123] In turn Germany was proving to be the most amenable western power to co-operation with the Bolsheviks, with businesses and the state offering the most generous credit terms to a cash-strapped Soviet Union, and showing the greatest interest in its concessions scheme.[124]

Although as a bureau member Begge was responsible for political regulation, he was clearly sympathetic to the views his boss had raised in his 'production vs control' tirade. He believed in treating non-party specialists with dignity and respect. Begge rejected the attempts of his comrades to blame cell members' offences on the non-party specialists. Instead he argued that these abuses actually appalled the *spetsy* and only distanced them further from the party and from a true understanding of its aims.[125] Begge urged his comrades to show their colleagues that they were honest and conscientious workers, arguing this was in itself an effective form of party propaganda.[126] Begge also rallied against Mikhailov's policy of ousting skilled professionals in favour of untrained communists, arguing that the party still had much to learn from the experts:

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[122] 'Deistviia i Rasporiazheniia Gosudarstva SSSR' (Actions and Instructions of the Government of the USSR), *Izvestiia,* no.169, 26th July 1925, p.6. This cites the text of a Sovnarkom decree from 2nd July appointing Begge to Torgpred in Germany.
[123] R. Munting, 'British Business and the Politics of Trade with the USSR during the New Economic Policy', *Business History,* 48 (2), 2006, p.265.
[124] On credit see Munting, 'British Business', p.256; R. Munting, 'Becos Traders and the Russian Market in the 1920s', *Journal of European Economic History*, 25 (1), 1996, p.88. On concessions see Munting, 'British Business', p.263. Germany showed the greatest interest out of the western powers in economic collaboration largely as both it and Russia had been made the "pariahs of Europe" by the Versailles Treaty. See E.H. Carr, *German-Soviet Relations between the Two World Wars* (Oxford, 1952), ch.1; L. Kochan, *Russia and the Weimar Republic* (Cambridge, 1954), pp.viii-ix.
[125] TsGAIPD SPb, f.R-1127, op.1, d.8, l.21: 'Protocol of the Meeting of the Collective', 7th December 1922.
[126] In October 1923 Begge launched a campaign to reduce the wasting of Soviet funds, stating: "We, Communists, must set an example in this affair": TsGAIPD SPb, f.R-1127, op.1, d.16, l.31a: 'Protocol of the Meeting of the Collective', 11th October 1923.

> ...if we want to replace *spetsy*, we need to study and become just-as-good *spetsy*.[127]

Begge's arguments had a degree of influence on his fellow bureau members. Some became worried about what the non-communists would think about a comrade's crimes. During a discussion of Girshov's plot with the *chervontsy*, bureau member Lazurkin commented:

> In the eyes of the non-party, party authority has been undermined and discredited by Girshov.[128]

The bureau found the Revzov case, where a Bolshevik asked a non-party colleague to sell his father bread, particularly shameful as it was the non-communist, Shlikerman, who brought the matter to their attention.[129] Finally, in discussing serial embezzler Gneushev, who coaxed a non-party secretary of the trade union, Luksha, into releasing funds, the bureau reversed the common trend, accusing the communist of corrupting the 'bourgeois' specialist.[130]

As for the reasons behind the abuses, the bureau sometimes spared the *spetsy* from blame, and found the root of the problem in the character of the offender themselves. This happened when the bureau was suspicious of their social provenance. A true proletarian could be forgiven a lapse of judgement, as they were still finding their feet as the ruling class, but an offender from the bourgeois classes was seen as a careerist who had cynically joined the party with the express aim of abusing it.

This reflects the preoccupation of the party with its own members in the early 1920s. As the Bolsheviks' hold over Russia strengthened,

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[127] TsGAIPD SPb, f.R-1127, op.1, d.8, l.21: 'Protocol of the Meeting of the Collective', 7th December 1922. Also, in a cell meeting that August he had criticised Mikhailov's commission for its harshness towards specialists, arguing that replacing them with communists was in fact undesirable as the latter did not know the work as well: d.8, l.14: 'Protocol of the Meeting of the Collective', 14th August 1922.
[128] TsGAIPD SPb, f.R-1127, op.1, d.15, l.43: 'Protocol of the Meeting of the Bureau...', 1st August 1923.
[129] TsGAIPD SPb, f.R-1127, op.1, d.7, l.14: 'Protocol of the Meeting of the Bureau...', 9th June 1922.
[130] Original: *"on razvrashal vybornogo predstavitel'ia bezpartiinikh":* TsGAIPD SPb, f.R-1127, op.1, d.7, l.28: 'Protocol of the Meeting of the Bureau...', 18th August 1922.

many people equated party membership with power, wealth and position, and signed up for personal gain.[131] The Central Committee, needing an enormous party organisation to regulate all aspects of governance, society and the economy, allowed party membership to skyrocket from 313,000 in 1919 to 732,000 by 1921.[132] However, older members soon became concerned that that the party was losing its identity, and the values and ideas of Bolshevism had become so diluted that they were in danger of disappearing completely.[133] The leadership responded in 1921 with a mass purge, which saw 200,000 members, almost a third of the party, expelled.[134] This would be followed up with further purges in the coming years as the Politburo sought to balance the ongoing need for mass recruitment with the maintenance of ideological purity.[135]

With these issues in mind, when the bureau came across a case that revealed the offender had other loyalties incompatible with Bolshevism, it reacted harshly and often recommended the individual be thrown out of the party for good. When Chudnovskii divulged official secrets to his privateer brothers, the bureau fired him from his post and passed the case on to the GPU. This was not so much punishment for the crime itself, after all many of his comrades had done worse and been pardoned. Rather, the bureau was concerned that Chudnovskii was, as an individual with a middle-level education, a member of the *intelligentsia,* and that his act had demonstrated loyalty to his bourgeois connections:

> ...in his internal outlook he is an *intelligent*, in his party and political attitudes he is a pure soviet bureaucrat, indifferent to his party obligations.... His brothers are private middle-men, and he has not

[131] Deutscher, *The Prophet Unarmed,* p.17; Read, *Lenin,* pp.243-244; I. Narskii, *Zhizn' v Katastrofe: Budni Naseleniia Urala v 1917-1922 gg.* (Moscow, 2001), p.454-455; D.J. Raleigh, *Experiencing Russia's Civil War: Politics, Society and Revolutionary Culture in Saratov, 1917-1922* (Princeton, 2002), pp.133-134; O. Figes, *Peasant Russia, Civil War: The Volga Countryside in Revolution (1917-1921)* (Oxford, 1989), pp.225-232.
[132] Deutscher, *The Prophet Unarmed,* p.17; Read, *Lenin,* p.240.
[133] Deutscher, *The Prophet Unarmed,* p.17; Narskii, *Zhizn' v Katastrofe,* pp.457-460.
[134] Deutscher, *The Prophet Unarmed,* p.18; M. Lewin, 'The Civil War Dynamics and Legacy', in D.P. Koenker, W.G. Rosenberg, and R.G. Suny (eds.), *Party, State, and Society in the Russian Civil War*: *Explorations in Social History* (Bloomington, 1989), p.413.
[135] Deutscher, *The Prophet Unarmed,* p.19; Read, *Lenin,* p.245.

cut ties with them. As a party member he is entirely without a proletarian core.[136]

Meanwhile, the bureau requested a comrade Sapozhnikov be thrown out of the party entirely as "an unsolid element, neglecting his service and trying to use all kinds of material privileges".[137]

The bureau were particularly strict when cell members maintained ties with the religious world. In August 1921 the Central Committee had ordered that party members who were from the *intelligentsia* and held responsible positions should be purged for demonstrating religious belief.[138] Farafonov made a fatal error when he not only gave food from the shop to a priest, but admitted to being in regular contact with the latter, describing him as a "good acquaintance". Despite being an elected bureau member and therefore presumably enjoying a clean reputation among his comrades up to this point, this was enough for the bureau to recommend his complete expulsion from the party as "an alien and suspicious element", who "hasn't cut ties with that sphere, which he is from".[139] Meanwhile Gneushev, having been excused of stealing millions of roubles on several separate occasions, only faced serious consequences after the bureau heard he had got married in a church, at which point it demanded he be removed from the party and denied any official work in the future.[140]

Thus in the way the bureau interpreted offences of cell members, we see that 'control' and 'production' did not have to be mutually exclusive viewpoints. Often the bureau did implement the kind of control that Krasin despised. It blamed 'bourgeois' specialists for corrupting the communists, and sought to repress them and interfere in the institutions'

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[136] TsGAIPD SPb, f.R-1127, op.1, d.15, l.28: 'Protocol of the Meeting of the Bureau...', 13th June 1923.
[137] TsGAIPD SPb, f.R-1127, op.1, d.16, l.8: 'Protocol of the Meeting of the Collective', 1st March 1923.
[138] A. Luukkanen, *The Party of Unbelief: The Religious Policy of the Bolshevik Party, 1917-1929* (Helsinki, 1994), pp.99-100. Luukkanen has pointed out that only uneducated members who had defended the revolution in the civil war could remain in party being religious, but their comrades had an obligation to re-educate them.
[139] TsGAIPD SPb, f.R-1127, op.1, d.15, l.28a: 'Protocol of the Meeting of the Bureau...', 13th June 1923.
[140] TsGAIPD SPb, f.R-1127, op.1, d.7, l.28a: 'Protocol of the Meeting of the Bureau...', 18th August 1922.

work. However, at other times the controllers showed an appreciation for the work of the institutions and respect for the specialists, and conversely, condemned the offenders themselves for souring the working atmosphere. In his study of the Narkomat for Agriculture, James Heinzen found a constant antagonism between the institution and its party cells, as the communists criticised Narkom Alexander Smirnov for surrounding himself with dishonest *spetsy* and trusting them blindly.[141] Heinzen has suggested that this was common throughout the Soviet economic infrastructure. However the case of the Petrovneshtorg party cell suggests this was not always the case. The balance that this cell was able to achieve was largely thanks to Begge, who, through his prominence in both institution and cell, managed to unite their activities to some extent.[142] As an investigation into the cell's activities from the time testified:

> The head of the institution is also a member of the bureau - so work with the administration is fully co-ordinated [with the bureau].... Thus we don't have one side disregarding the other.[143]

The question remains, however, of the communists who actually committed the offences, and thus showed an apparent lack of concern for both the progress of Soviet industry and the need for disciplined party control over the economy. To what extent do the bureau's explanations for their behaviour actually reflect reality?

Understanding the Offender

Unfortunately, the protocols provide no account of the offenders' own perspectives as they were absent from the bureau meetings.[144] However,

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[141] J.W. Heinzen, *Inventing a Soviet Countryside: State Power and the Transformation of Rural Russia, 1917-1929* (Pittsburgh, 2004), pp.117-119.
[142] Pirani in fact has argued that the early 1920s saw the cells and the institutions drawing closer in their outlook and activities and in some cases even merging (*The Russian Revolution,* p.185).
[143] TsGAIPD SPb, f.R-1127, op.1, d.13, l.43: From a set of responses to 'Materials for Investigating...'.
[144] Except possibly in the case of Farafonov, who was a serving bureau member at the time when the bureau met to discuss his offence, though there is no evidence he was present at that meeting.

some cases shine a light on the insufficiency of the bureau's usual explanations. Sometimes neither careerism nor corruption by 'bourgeois' specialists were convincing reasons. This is particularly the case in instances where communists used state funds to indulge in drunken revelries.

In August 1923 the bureau received a complaint from the party committee in Bezhetsk, Tver' region about one of its cell members.[145] It reported that P. Paegle, an agent of SZGT's Raw Materials Department, who had been sent to Bezhetsk on a business trip, had engaged in a spree of "drunkenness and debauchery". A month later V. Dmitriev, another SZGT agent, was accused of doing the same in the hotel *International* in Petrograd together with visiting party members from other regions.[146] That winter the bureau received complaints about the conduct of P. Lukirski, yet another SZGT agent, during a business trip to Kingisepp.[147] According to these Lukirski had "behaved very badly", got drunk and pretended to be a double agent.[148] It is possible that other cases among the bureau's protocols involved similar instances of spending state funds for personal gratification, however it was not always clear what exactly had happened to the money. For example during the investigation into Lukirski it came to light that he had previously "lost" 151 *chervontsy*.[149] When A. Bogdanov, a co-operative employee, was given a cash advance of 2,500 roubles for business expenses, he disappeared for several days and, unwisely, ignored a phone call from Begge.[150] When he finally came back to work he claimed that the money had been stolen from him.

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[145] TsGAIPD SPb, f.R-1127, op.1, d.15, l.43: 'Protocol of the Meeting of the Bureau...', 1st August 1923. This case also mentioned in TsGAIPD SPb, f.R-1127, op.1, d.22, l.26: Report from the Bureau to Raikom for 1923.
[146] TsGAIPD SPb, f.R-1127, op.1, d.15, l.56: 'Protocol of the Meeting of the Bureau...', 19th September 1923. The Hotel *International* is now the *Angleterre.*
[147] TsGAIPD SPb, f.R-1127, op.1, d.15, l.73: 'Protocol of the Meeting of the Bureau...', 12th December 1923. Yamburg's name changed to Kingisepp in 1922.
[148] "behaved very badly" trans. from *"vel sebia ochen' plokho".*
[149] TsGAIPD SPb, f.R-1127, op.1, d.15, l.73: 'Protocol of the Meeting of the Bureau...', 12th December 1923.
[150] TsGAIPD SPb, f.R-1127, op.1, d.15, l.9: 'Protocol of the Meeting of the Bureau...', 28th February 1923; d.16, l.8a: 'Protocol of the Meeting of the Collective', 1 March 1923.

In these cases the bureau's usual attempts to explain their cell members' behaviour seem unconvincing. They were not led on by corrupt *spetsy* as they either acted alone or with other party comrades. They were not careerists who had joined up in order to abuse party privileges. Paegle had joined the party back in 1910 at the age of just seventeen.[151] Dmitriev had signed up in February 1919, in the heat of the civil wars.[152] In any case they could only hope to compromise their careers through such flagrant transgressions. So why might these Bolsheviks, some of whom had undergone hardship and risked their lives for the revolution, end up defying their party and undermining efforts to build a socialist economy?

The early 1920s was a time of fundamental change in the party's dynamics as it coagulated into a bureaucratic apparatus. Many Bolsheviks were used to being part of military organisation, and before that, an underground political party. It was a life of danger and uncertainty, and at the same time a life with a clear goal and a sense of purpose. These communists were now urged by their leaders to settle down into the humdrum formality of daily office routine, amidst the morally confusing backdrop of the NEP commercial revival.[153] Their resulting struggle is explored in Ilia Ehrenburg's 1924 novel *The Grabber*. When the protagonist, Mikhail Lykov arrived in Moscow from the front he was confused by the subtleties and complexities of post civil-war society:

> Having come of age in the artillery-ration atmosphere of war communism, and being fully devoted to its unambiguous ways, he was completely unable to decode the muddled physiognomy of Moscow, undergoing at the time the first year of NEP.... You could take or leave the old ways: they were, above all, straightforward, with touching naivety.... The new ways were, first and foremost, confusing... It was as though a boxer had been sat down at the

[151] TsGAIPD SPb, f.R-1127, op.1, d.15, l.43. 'Protocol of the Meeting of the Bureau...', 1st August 1923.
[152] TsGAIPD SPb, f.R-1127, op.1, d.15, l.56: 'Protocol of the Meeting of the Bureau...', 19th September 1923.
[153] Pirani, *The Russian Revolution*; S. Fitzpatrick, *The Russian Revolution,* 3rd ed. (Oxford, 2008), p.92.

chess board and suggested a complex move, to give away a piece to get his Queen back, and the boxer was ready to cry.[154]

In previous times party members had received an irregular and merely symbolic salary and had survived by taking from whatever communal resources they could access at the time. This left a murky distinction between personal and state property which the Kremlin could not change overnight simply through drafting new legal codes.[155] Especially as some Bolsheviks believed they were entitled to a share of state resources as the new 'ruling class'.[156] Solomon discovered this attitude among the personnel of the Berlin torgpredstvo. He described how they helped themselves to state funds to buy hats, designer clothes and even horse-riding lessons, and ransacked the embassy's cellars to throw midnight parties:

> None of these individuals did any work for the most part... but, of course, they all jealously guarded their "class" interests, and forcing them to do anything was not an easy task.
>
> We saw that the embassy's money was being wasted senselessly, and I soon realised that all these individuals, considering themselves true revolutionaries - victors, looked at state resources as some kind of booty, belonging to them by rights. And consequently everyone sought to snatch what they could, fighting among themselves and trying to furnish their existence with every possible material benefit.[157]

Ehrenburg picked up on this sense of entitlement in *The Grabber*. Lykov treated his party card as a reward for his brave service in the civil wars,

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[154] I. Ehrenburg, 'Rvach' (The Grabber), in *Sobranie Sochinenii v Seviati Tomakh*, vol. 2 (Moscow, 1962-1967), p.157.
[155] Narskii, *Zhizn' v Katastrofe,* p.454.
[156] Raleigh, *Experiencing Russia's Civil War,* p.108; G.M. Easter, *Reconstructing the State: Personal Networks and Elite Identity in Soviet Russia* (Cambridge, 2000), pp.47-48; Pirani, *The Russian Revolution,* pp.51-52. Pirani has argued that those who had joined the communists during the civil wars and lacked the ideological background of the old Bolsheviks were particularly likely to believe that the party was a special elite group, superior to the rest of society. Also see p.121, footnote 244 and p.183, footnote 71 of this thesis.
[157] G.A. Solomon, *Sredi Krasnykh Vozhdei: Lichno Perezhitoe i Videnoe na Sovetskoe Sluzhbe,* vol.1 (Paris, 1930), p.73. On the purchases etc. of the personnel see p.60.

and thought it only fair he should wave it everywhere to "open doors and close eyes" and "to make policemen sentimental and controllers forgetful".[158] This sense of privilege can perhaps be glimpsed in the cell members' behaviours. In the cases of Lukirski and Bogdanov, this was not the first time they had frittered away state funds, suggesting that perhaps they believed they were, as party members, immune to any serious consequences.

Other offenders may have acted out of a feeling of disillusionment with the revolution. Many in the ranks felt betrayed by the party leadership. Instead of building a socialist society, the Central Committee seemed to be pursuing the restoration of bourgeoisie.[159] Communists who had committed violence and murder to bring about change found the new society too similar to the old. They were once more being bossed around by *spetsy* and seeing merchants drive around in expensive cars.[160] Suicide rates among party members rose sharply in the mid-1920s, with communists seven times more likely to kill themselves than the rest of the population.[161] The offending cell members may have in fact given up on the revolution and on their own futures, and sought to drink away their sorrows.

The cases of "drunkenness and debauchery" highlight how, while Bolshevik leaders debated how the party should regulate the NEP economy, many in the ranks were on a different page entirely in their political outlook. The cell members may have still been struggling to accept the ideas underpinning these debates, for example the need for 'bourgeois' specialists and nepmen in the first place. They did not necessarily even share their leaders' concepts of statehood and crime, or

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[158] Ehrenburg, 'Rvach', pp.178-179.
[159] Pirani, *The Russian Revolution,* pp.115-123; Fitzpatrick, *The Russian Revolution*, p.92; S. Fitzpatrick, 'The Bolsheviks' Dilemma: Class, Culture and Politics in the Early Soviet Years', *Slavic Review,* 47(4), 1988, p.608. These feelings are explored in F. Gladkov's 1925 novel *Cement*, where the communists of a town bravely defend the local cement factory during the civil wars, and try to get it back up and running to provide employment for the townspeople, only for it to be promptly shut down with the advent of the NEP, as the 'bureaucrats' decide it is not economically viable (*Cement*. Trans. A.S. Arthur and C. Ashleigh (Evanston, 1994)).
[160] Ehrenburg, 'Rvach', p.172.
[161] Suicide data from Pirani, *The Russian Revolution,* p.123.

their assumptions about what, or whom, state resources actually existed for.

The Victory of Control?

Thus a diverse range of opinions existed on the question of the party's relationship with the Soviet economy. Nevertheless the Twelfth Party Congress had spoken unanimously and it had chosen to tighten up control. However, the type of control that the Politburo actually implemented was not at all what Lenin had intended. The new TsKK-Rabkrin structure never became a vanguard for rationalising bureaucracy. The *Triumvirate* used it primarily as an instrument to build up a supporter base in both the party and state apparati.[162] As Krasin had foreseen, all the flaws of the old Rabkrin resurfaced to plague the new one. *Spets*-baiting continued unabated.[163] By the end of the decade it had grown into a whole new phenomenon: 'wrecking'. Control organs no longer merely bullied and hounded individual specialists. They started constructing complex cases 'proving' that networks of *spetsy* were plotting with foreign and domestic counter-revolutionary terrorists to wreck soviet industry. The first big wrecking case was the *Shakhty* affair of 1928, involving 53 employees, mainly 'bourgeois' specialists, of the mining industry in the Don Basin.[164] These individuals were all found guilty of conspiring to blow up mines and power stations, destroy ventilation systems, waste state funds on unnecessary purchases, and worsen the workers' quality of life. Eleven were sentenced to death.[165]

There was no longer anyone able to oppose these developments and protect the *spetsy.* Lenin never recovered from his third stroke and died in January 1924. Trotsky was slowly sidelined from power by Stalin, and eventually exiled from the Soviet Union in 1928. As for 'the gentleman of the soviets', his comeuppance had been long overdue in

[162] Rees, *State Control,* pp.63, 93; Easter, *Reconstructing the State,* pp.96-97.
[163] Bailes, *Technology and Society,* p.59.
[164] Details of this case taken from M.V. Khodiakov (ed.), *Noveishaia Istoriia Rossii 1914-2008,* 3rd ed. (Moscow, 2008), p.229.
[165] Six of these sentences were subsequently commuted to hard labour, but the remaining five individuals were indeed shot.

the eyes of the Politburo. In July 1923, Sovnarkom removed Krasin from his prestigious post as the British torgpred.[166] In November 1925 it liquidated Vneshtorg entirely, replacing it with a new narkomat which unified foreign and domestic trade.[167] Ironically, in his final years the outspoken critic of control found himself personally surrounded by GPU agents, 'regulating' all his work and frustrating him at every turn.[168] Krasin passed away in November 1926 of heart failure brought on by chronic anemia.[169]

The antagonism between production and control would be somewhat ameliorated in 1928 when the Stalin regime abandoned the NEP and shifted to a full 'control' economy.[170] From now on the central party and state organs would take the reins of directing and co-ordinating the economy instead of just primarily trying to regulate it. Ironically, this was not that far removed from what Trotsky and Krasin had both advocated earlier. In Stalinist industrialisation we see a distorted version of Krasin's own vision for economic modernisation. Instead of experienced specialists, the leading role would be played by party bureaucrats, while Krasin's ambition for close western collaboration was precluded by the separatist doctrine of 'Socialism in One Country'.

Conclusion

Party leaders quickly found Rabkrin to be unequal to its task of supervising the state economy's transition to khozraschet. They noted

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[166] T.E. O'Connor, *The Engineer of Revolution: L.B. Krasin and the Bolsheviks, 1870-1926* (Boulder, 1992), p.252.
[167] O'Connor, *The Engineer of Revolution,* p.260.
[168] GARF f.R-5881, op.2, d.658. l.99: Book manuscript by G.A. Solomon, *Leonid Borisovich Krasin: Po Lichnym Vospominaniam Avtora i s Opytom Kharakteristiki* (Leonid Borisovich Krasin: From the Personal Recollections of the Author and with an Exposition of his Characteristics), written in Brussels, 1934. No less ironic was the way in which Lenin, the ardent proponent of control, found himself incessantly monitored by Stalin in his final years: M. Liebman, *Leninism under Lenin.* Trans. B. Pearce (Pontypool, 1980), p.418; B. Williams, *Lenin* (Harlow, 2000), p.190.
[169] O'Connor, *The Engineer of Revolution,* p.262. He had been suffering from anemia for a year prior to this (pp.260-261). However Krasin's daughter and Liberman, who visited Krasin on his death bed, would later claim he died from leukaemia (O'Connor, *The Engineer of Revolution,* p.262; Liberman, *Building Lenin's Russia,* p.168).
[170] Though 'wrecking' continued into the 1930s: Khodiakov (ed.), *Noveishaia Istoriia Rossii*, pp.230-231.

that instead of guiding and advising enterprises, most inspectors ended up limiting their actions to catching and exposing their staff, who were often just trying to do their job. Lenin's solution was to add yet another layer of control on top of Rabkrin in the form of the party TsKK. The proposal was unanimously approved by the Twelfth Party Congress and the leadership went on to implement it, creating an expansive control bureaucracy. On the surface it would seem that the party continued to accept Lenin's dictum that commercial forms required strict political regulation and the best way to conduct that was through dedicated party-state apparati.

However this vote is not a reliable indicator of the party's overall attitude towards the tasks of economic reconstruction or political control. In fact the opinion of the party was far from unanimous. The Politburo itself adopted the resolution primarily as a means of consolidating its own power over the party and Soviet apparati. Meanwhile, a new sub-group of Bolsheviks had emerged, the *khoziaistvenniki*, who took their economic work seriously and were frustrated by the noxious interference of control organs. Krasin took a decisive stand against Lenin's reform on their behalf, but he was unable to rally their support. An outspoken maverick without a secure footing in party politics, few were willing to follow his lead. Some *khoziaistvenniki* in fact tried to balance both production and control in their daily work. The Petrovneshtorg party cell sought to fight anti-party influence in the Petrograd foreign trade apparati without compromising their work. Meanwhile, other party members were outside these debates completely. Those who abused their positions to engage in embezzlement, nepotism, and drunkenness do not seem to have identified particularly closely with either 'production' or 'control', seeing their roles as communists in a somewhat different light.

Conclusion

The Bolsheviks had set out in 1917 to guide Russia towards a truly egalitarian and democratic society, a stateless communist society in which there were no rulers or ruled, where everybody had equal rights and responsibilities, and there would be no rich and poor. By 1923 they were well on their way to creating one of the most brutal and repressive regimes the world has ever known, characterised by personal dictatorship, a totalitarian state, and the murder of millions of citizens. Historians have approached the question of what went wrong from a number of angles, from looking at the leadership struggles, to the people's perspective, from economic to cultural factors. One prism which has been largely overlooked, however, is that of trade and goods exchange. This thesis has aimed to redress this, focussing on three research questions: What theories did Bolsheviks have about trade and goods exchange? What was the interrelationship between these theories and Bolshevik policies in the first years of soviet power? How and to what extent were these policies implemented at ground level? These concluding remarks will return to each of these questions before sketching out some avenues for further research.

Theories of trade and traders

Chapter One of this thesis has traced the development of Bolshevik theories of trade from the dawn of the movement until the October revolution. The radical Russian intelligentsia had long harboured a deep animosity towards people who engaged in trade for a living. It saw them as greedy antisocial types. Many, such as the *narodniki*, feared that as traders penetrated the Russian village following the abolition of serfdom in 1861, they corrupted the souls of the peasants with their materialistic mentality and subverted their socialist spirit. The Bolsheviks shared this sense of moral distaste, but they parted from other radical movements as they believed that the spread of capitalism was in fact a necessary stage on Russia's road to revolution. They predicted that the petty

village trader would one day evolve into the progressive and dynamic capitalist, setting up nationwide department store chains which would serve as a foundation for a socialist economy.

In 1916 Lenin came to the conclusion that this process was coming to its completion. The capitalist system had progressed as far as it could and was already starting to decay. The interests of capitalist bosses were no longer in line with those of the overall economy, instead they undermined it for their personal gain. Lenin believed conscious proletarian forces would have to assert control over their bosses and force them to run their businesses in a socially responsible way. At least in Russia, the workers were to merely regulate their employers as opposed to physically overthrowing them. In the goods exchange sector, conscious elements would guide shops and co-operatives towards their transformation into consumer communes. According to Lenin's theory, these communes would soon spring up in every residential area of the country. Based on the co-operative model, they would be apparati for the local population to organise the production, distribution and exchange of all consumer goods.

Following the revolution, when these plans proved unachievable and ever more people resorted to individual barter to meet their consumer needs, Lenin endowed the concept of trade with the imagery of a contagious disease. Chapter Two has shown how he ascribed to traders a sick mentality which threatened to infect the proletariat and compromise the revolution. His analogy was probably influenced by the earlier *narodnik* portrayal of traders. At the same time using epidemiological metaphors to describe society was a common trend in modern European political discourse, one used for example in both Victorian Britain and Nazi Germany. In any case, the idea of trade as a force for corruption went on to shape soviet leaders' attitudes throughout the early 1920s.

Policy: Pragmatism and Ideology

Thus the Bolsheviks came to power armed with serious plans regarding goods exchange. However, as Chapter Two has demonstrated, they were forced to heavily adapt these in the face of the harsh realities they found themselves confronted by. Lenin had greatly overestimated Russia's commercial infrastructure. In reality, co-operatives and large shops were only responsible for around half of the country's retail. The rest was in the hands of small-scale independent traders over whom it was impossible to establish the kind of comprehensive regulation the Bolsheviks desired. As for the larger enterprises, most local soviets and workers did not attempt to implement such regulation. Instead, many revolutionary authorities looted shops, forced them to pay crippling contributions, or shut them down. In some areas soviets allowed bagmen and speculators, considered by the central leadership to be anarchic and parasitic, to engage in their occupations without hindrance. Meanwhile the foreign revolution, which was supposed to help Russia build a socialist economy, did not come.

Early Bolshevik policies on trade were heavily dictated by these unforeseen events. In spring 1918 the party leadership attempted to mobilise central state and party apparati to temporarily override the actions of local authorities until the economic crisis could be averted. It created new interim structures to protect private firms and co-operatives from assault, and to hunt down the petty speculator. However the Kremlin lacked the authority outside the big cities necessary to implement these directives, and proved unable to save Russia's commercial infrastructure from destruction or to halt the rising tides of bagmen crowding the country's railways and marketplaces. In the end, the Bolshevik leadership was forced to depart from its plans much more emphatically and indefinitely. From autumn 1918 it began building up new professional bureaucracies designed to create a new commercial framework over a sustained period of time. In order to gain access to technology and expertise to speed this along, party leaders took a step

previously unthinkable: they turned to international capital with offers of collaboration. Finally, they demonstrated a new sense of toleration towards the petty traders at home, accepting that for the time being, they were crucial to the exchange of goods between the cities and the countryside.

The types of goods exchange the party was now pursuing were a far cry from the libertarian consumer communes Lenin had envisaged in 1917. However, despite being pragmatic measures, they were still heavily shaped by Bolshevik theory. The idea of trade as a force for corruption proved a consistent influence on policy throughout the early soviet period. Party chiefs blamed the 'incorrect' actions of the local soviets in the first months after October, and also the rise of bagging and speculation, on the spread of the corrupt 'petty proprietor' mentality among the population. Pursuing this logic further, the leadership concluded that it had to act decisively to contain this corruption. It was partly with this in mind that it took the initial steps to centralise state power in its own hands. Behind this shift in policy were two further, though hitherto latent, aspects of the Bolshevik leadership's ideology. One was that it alone had the right to determine what constituted conscious revolutionary action as opposed to petty bourgeois individualism due to its status as the vanguard of the workers. The other was that it had the right to force the population towards the correct set of actions using a coercive state apparatus.

With these early control measures proving ineffective, the Kremlin again turned to the analogy of the trading mentality as a disease to explain the situation and draw implications for future actions. The infection had now spread fatally throughout Russian society. The proletariat were too sick to be able to rule independently in the near future. The party would have to retain control for an indeterminate time. Meanwhile the petty capitalist infection had become too powerful to simply cure. The only thing to be done was to try to channel it to serve the soviet project, while gathering the strength to overpower it in the future.

Bolshevik tropes of corruption and containment also influenced policy on economic relations with the outside world, as Chapter Three has shown. Leaders portrayed the west as a corrupt force that threatened to infect the Soviet economy with capitalism and force it into a state of dependency on the imperialist powers. When Krasin pushed for granting concessions on the widest possible basis, Lenin rejected this in favour of a more discerning approach, on the grounds that foreign capitalists could spread their mentality among the soviet peasantry. At the same time Lenin agreed that it would be much easier to contain foreign concessionaires than the thousands of petty home-grown entrepreneurs already dominating the soviet economy, as they would at least be known by the state and could be hedged in with special regulations. Meanwhile Krasin, in justifying to his comrades the need for Vneshtorg to monopolise the republic's entire foreign trade, described his commissariat as a moral shield against the evils of foreign capital. Later his critics used the same trope to claim that Vneshtorg itself had become corrupted through its association with the west.

Chapters Four and Five have traced how, as economic policy became increasingly geared towards capitalism during the shift to the NEP, Bolshevik leaders worried it would corrupt the very political orientation of the Soviet government. They feared a bourgeois restoration from within. Sovnarkom sought to make the private capitalists politically impotent by subjecting them to legal codes which Soviet authorities could easily manipulate. Besides private traders the Kremlin was also concerned about state khozraschet agencies. Many leaders feared that the party and state officials running these were being corrupted by the nepmen and non-party specialists they had to work alongside and were turning the enterprises into vehicles for their own private fortunes. Sovnarkom showered these agencies with legislation and mobilised Rabkrin to oversee its implementation. However, the regulations were often inappropriate to the realities on the ground, and this, along with Rabkrin's illiterate approach to its work, only pushed party-state managers to bend the rules ever further. Yet instead of

toning down its approach, the Politburo responded by adding a new level of political control through merging Rabkrin and the TsKK.

Thus the association the Bolshevik leaders had between trade and corruption played an important role in shaping their decisions on goods exchange throughout the period 1917 to 1923. Lenin believed that all these policies were a mere detour from the original path he had envisaged. He continued to assert that the state would melt away into a network of consumer communes. He did so despite the fact that it now had a multitude of mammoth tasks it first needed to accomplish, including outperforming private capitalism, building an advanced economy, and rehabilitating the proletariat. For Lenin, the point of regulation was to ensure that during the detour, Russia continued in the right direction and did not get lost. However, the preoccupation with control was in fact helping pave the way for Stalin's personal dictatorship.

The Implementation of Trade Policies

Chapter Two has shown how the Bolshevik leadership was largely unable to implement its trade policies effectively during the first two years of soviet rule. The party was made up of a small core of professional revolutionaries and a huge majority of recent lay recruits. Most of the new members lacked an understanding of Bolshevik ideology and did not know about Lenin's plans for consumer communes. Many had only supported the party because it advocated soviet power, and in doing so they were actually pursuing the political independence of their regions. Following the October revolution most party members set about formulating their own policies, most of which were at direct odds to the decrees of the centre. Many wreaked revenge on their local shopkeepers, who they blamed for causing the food-supply crisis by hoarding and profiteering. There were many cases of merchants being arrested, tortured and forced to perform humiliating and backbreaking labour. Soviets often requisitioned stock and forced shop owners to pay crippling

taxes, either out of opportunistic motives or a desire to provide for the local population. Some authorities let bagmen run free, and several soviets from hungry provinces even recruited them to go and procure food from grain-producing regions.

From spring 1918 onwards the central leadership increased its influence over the ranks. Many local leaders turned to Moscow themselves, desperately seeking guidance after their own policies had exacerbated the crisis. The Central Committee consolidated its authority by purging the party of disloyal elements and controlling the appointment of their replacements. This achieved a degree of success and by 1921 the leadership had gained a semblance of control over the republic's party organisation. However, through analysing the state's relationship with the private trader, Chapter Four has shown that this control proved far from perfect. With the shift to the NEP, the Kremlin had aimed to turn the bagmen and speculators into law-abiding, tax-paying businesspeople through subjecting them to standardised legal codes. However local party organs, along with other regional authorities, proved unable to implement the letter of the law in a consistent fashion. They lacked the necessary manpower, training, and often, the motivation. Private traders continued to be subjected to widespread arbitrary repression. Those who were trying to obey the rules were often unfairly punished, while many cheats went free. As a result the nepmen quickly learned to distrust the state and live a semi-underground existence, just as the bagmen and speculators had done before them.

The Politburo had higher hopes for regulating the state-run economy. Lenin did not believe that khozraschet agencies could hide from the controllers in the same way as the nepmen could. However, the very point of the khozraschet policy was to put the state economy on an equal playing field with the nepman, forcing it to imbibe his sense of dynamism and intuition, and eventually outperform him. By piling extra regulations onto state enterprises, Sovnarkom actually put them at a big disadvantage. As the case study in Chapter Four has shown, the early post-crisis economy still heavily depended on informal commercial

methods to function. Economic agencies were obliged to evade the strict new rules in order to survive. Meanwhile the Rabkrin agents, who were supposed to oversee the implementation of the regulations and troubleshoot any problems, were unqualified and lacked understanding of the commercial sphere they found themselves in. They tended to be suspicious of khozraschet officials, interpreting any departure from the rules as evidence of either mismanagement or corruption, and pursuing the punishment and dismissal of the offenders.

In the meantime Lenin called on the party itself to learn to trade, so that communists could run commercial operations. A sub-stratum of *khoziaistvenniki,* or party economic managers, emerged. These were Bolsheviks who had adapted to the NEP environment and taken their places alongside the nepmen and the non-party specialists in the economic life of the republic. The *khoziaistvenniki* quickly clashed with the harder-line communists. A particular area of conflict was over the 'bourgeois' specialists. Party managers found their expertise indispensable to the running of any enterprise, and eagerly enticed them to senior positions with high salaries. Others sought their removal, seeing the *spetsy* as inextricably linked with the previous regimes and therefore not entitled to wield authority in a workers' state.

The growing disharmony culminated in 1923 in a leadership row over whether the party should prioritise reconstructing the soviet economy in a smooth and dynamic fashion, or go about it in a more cautious manner, consolidating ideological control at every step. Studying this controversy, Chapter Five has revealed how most of the Politburo took the latter side, with Krasin, who claimed to speak for all the *khoziaistvenniki*, on the other. However, as the case study on the Petrovneshtorg party cell has shown, there was far from a black and white split. Some party managers, like Begge, were able to balance their commitments between production and control. Using his influence as both the head of Petrovneshtorg and a leading member of the party cell responsible for its political orientation, he was able to defend the *spetsy* under his command while still building up communist influence over the institution. Other cell members showed little dedication to either

furthering the economic rebirth of the country or to guiding its political development. Some used their positions in Petrovneshtorg to pursue their own private ends, through bribery, embezzlement and nepotism. Their party superiors either blamed 'bourgeois' colleagues for morally corrupting them, or dismissed the offenders as being 'careerists' who had only joined the party to exploit its ruling position. However, it was probable that many had in fact become disillusioned by the NEP and the return of centralised hierarchical governance and no longer believed in the future their leaders promised them.

Thus throughout the period the party leadership was unable to rely on comrades on the ground to enforce its trade policies as it would have liked. Over time it was able to centralise the party organisation, gaining a degree of control over the execution of its directives. Yet these were too ambitious to be effectively fulfilled. The Central Committee had unrealistic expectations both of the primitive capitalism that had emerged from the civil war, and also of the ability of the crude and inexperienced party-state apparati to manage it in an intelligent fashion. However the Politburo ignored the few dissenters who tried to point this out. Eventually the dilemma would be partially resolved through Stalin's actions in strengthening and refining the party's mechanisms of control. This improved the centre's ability to implement policies, but it did so at the expense of the Bolsheviks' entire vision for the revolution.

Final Reflections

This thesis has found that throughout the period 1917-1923, the primary goal of Bolshevik goods exchange policy was consistently the regulation of trade. This has far-reaching implications for the periodisation of early soviet economic history. Trade policy is a fundamental part of the logic behind the traditional splitting of the era into War Communism and NEP. Both western and Soviet historiography has typically portrayed the Bolsheviks as seeking to liquidate all private trade during the former period, and then restoring it in the latter. Through analysing early central

policy, this thesis has demonstrated that the party leadership in fact aimed to preserve all shops employing more than two people, regulating their activities to ensure they kept the population supplied with food. It only sought to wipe out the smallest entrepreneurs, such as the individual speculators and bagmen, and even this was soon unofficially abandoned as a hopeless endeavour. Studying the shift to NEP, Chapter Four has shown that the Tenth Party Congress in March 1921 was not a sharp turning-point in trade policy. It merely decreed a new system of peasant taxation which had already been in the pipeline for almost two years prior. It was only over the course of the following months that Sovnarkom slowly came to realise that this necessitated the official legalisation of petty trade. As for larger commercial enterprise, ironically it would be more accurate to attribute its statisation to the early 1920s than to the civil war years. With the old private sector falling into ruin during the war Lenin urged the state itself to learn to trade through the khozraschet policy.

Through recognising regulation as the dominant theme in soviet goods exchange policy, this thesis has developed an alternative approach to conceptualising the civil war years. Building on a model proposed by Lars Lih, it has identified the months between spring and autumn 1918 as a distinct period in themselves. During this time the party leadership turned away from encouraging local soviets to set up autonomous systems of regulation over trade and tried to temporarily supersede their actions with its own supervisory policies. From August 1918, the Bolsheviks' approach slowly began to shift again, this time towards long-term bureaucratic management of the economy. By 1920 the Kremlin was beginning to build up its own networks of state trading concerns and simultaneously it created bureaucracies dedicated to regulating them. These policies would culminate in the NEP.

The problems behind the traditional approach to periodisation will undoubtedly be further exposed by scholars showing greater attention to early soviet trade in the future. This thesis has demonstrated that Bolshevik theories and policies on goods exchange are crucial to our

understanding of the Russian revolution as a whole. It is a field which has long been awaiting the interest it deserves. Since the few studies written just before the USSR's collapse, there has been almost no western scholarship devoted to the topic.[1] However, there are now countless archive materials available allowing historians to gain a much deeper insight into the subject. The scope of the present thesis has allowed the creation of two regional case studies, both of which focus on Petrovneshtorg and its associated organs and departments. Limitless potential exists for further research to complement their findings. Future projects might shed light on how characteristic the frustrating experiences of SZGT agents were as employees of a khozraschet enterprise at the hands of incompetent party and state regulators. They may also reveal how unique Begge's position was as a *khoziaistvennik* who managed to balance the interests of both political and economic work.

Future research may also reveal how local soviet authorities approached goods exchange in the early period of the revolution, before they came under the sway of the centre. This thesis has aimed specifically to uncover a 'Bolshevik' approach to trade. Therefore for the years preceding the emergence of a unified party structure it has primarily focussed on the core of full-time activists who consistently identified themselves as Bolsheviks, rather than the mass membership whose association with the party tended to be more casual and fluid. However, the experiences of the Bolshevik leadership was just one story in the wider kaleidoscope of revolutions.[2] The regional studies that have touched on goods exchange suggest that each locality had its own approach, from the total banning of private trade to an almost laissez-faire toleration of it.[3] The questions this thesis has asked about the

[1] See pp.15-17 of this thesis.
[2] This expression comes from Christopher Read's description of the revolution as kaleidoscopic in *From Tsar to Soviets: The Russian People and Their Revolution, 1917-21* (London, 1996), p.283.
[3] Examples include A.B. Retish, *Russia's Peasants in Revolution and Civil War: Citizenship, Identity, and the Creation of the Soviet State, 1914-1922* (Cambridge, 2008); S. Badcock, *Politics and the People in Revolutionary Russia: A Provincial History* (Cambridge, 2007); D.J. Raleigh, *Experiencing Russia's Civil War: Politics, Society and Revolutionary Culture in Saratov, 1917-1922* (Princeton, 2002); P. Holquist, *Making War, Forging Revolution: Russia's Continuum of Crisis, 1914-1921* (Cambridge, Massachusetts and

Sovnarkom and the Central Committee might equally fruitfully be asked of local authorities throughout Russia: what were their hopes and expectations? what was the interplay between ideology and pragmatism in shaping their policies? How did they go about implementing them?

Finally, future studies would strongly benefit from fully recognising international commercial relations as an integral part of soviet economic policy. Even when the Entente powers blockaded Russian ports during the civil war, the soviet economy was never a self-contained entity existing in isolation from the rest of the world. Sovnarkom's domestic policies and its international concerns in fact went hand in hand, as Chapter Three has demonstrated. Narkomprod's monopoly over the grain trade within Russia was introduced almost simultaneously with Vneshtorg's monopoly over foreign trade. Then, just as the Kremlin ended up tolerating the bagman in order to feed the cities, so it resorted to utilising smugglers in order to procure vital supplies from abroad. Indeed, the two phenomena were often indistinguishable from each other due to the fluid nature of soviet boundaries during the civil war.

When Bolshevik leaders started to think about constructing a modern industrial economy in Russia during the later part of the civil war, many proposed foreign trade and concessions as a crucial way to get the necessary technology and expertise to do this. The steps Moscow then took to facilitate commercial relations with the west in 1920 would foreshadow the NEP in the domestic economy in several ways. The idea of using a state apparatus, Vneshtorg, to engage in capitalist trade would be repeated in 1921 with the introduction of khozraschet. The party agents who worked alongside western firms started to see capitalist trade as a kind of science to be studied and mastered. This attitude would spread among economic officials after 1921 resulting in the emergence of the *khoziaistvenniki* as an identifiable party sub-group.

London, 2002); O. Figes, *Peasant Russia, Civil War: The Volga Countryside in Revolution (1917-1921)* (Oxford, 1989); M. Borrero, *Hungry Moscow: Scarcity and Urban Society in the Russian Civil War, 1917-1921* (New York and Oxford, 2003); M. McAuley, *Bread and Justice: State and Society in Petrograd, 1917-1922* (Oxford, 1991); I. Narskii, *Zhizn' v Katastrofe: Budni Naseleniia Urala v 1917-1922 gg.* (Moscow, 2001); J.D. Smele, *Civil War in Siberia: The Anti-Bolshevik Government of Admiral Kolchak, 1918-1920* (Cambridge, 2006).

This was encouraged by Lenin, whose calls for the state to learn from the nepman mirrored his earlier demand for it to learn from the foreign concessionaries. The concessions policy itself, whereby the soviet government leased resource-rich territories to foreign companies, strongly foreshadowed the NEP policy of letting out state concerns to Russian capitalists. In both cases the aim was to allow the capitalists to create successful businesses which would later be inherited by the government.

Thus there is rich potential for studying trade and goods exchange in early Soviet Russia, and multiple directions in which the subject can be fruitfully taken. This thesis has found that such studies can offer the historian valuable insights. Studying Bolshevik approaches to trade, it has proposed new perspectives for understanding Soviet commercial and economic policy. The thesis has also offered new insights into what people, not only Bolshevik intellectuals, but various other groups and individuals, wanted and expected from the revolution. It has contributed to debates on how and why the party leadership built up an apparatus of state compulsion. It even carries implications for how historians should periodise early soviet history. On a broader level, the thesis adds to our understanding of the international modern era, with its faith in moral advancement through rational social organisation, and its attempts to put this into practice.

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