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STATE POLITICS AND THE IMPERIAL RUSSIAN BUDGET, 1905-1912

by

Robert Henry Gorlin

A dissertation submitted in partial fulfillment
of the requirements for the degree of
Doctor of Philosophy
(History)
in The University of Michigan
1973

Doctoral Committee:

Associate Professor William G. Rosenberg, Chairman
Professor Horace W. Dewey
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PREFACE

This study examines State politics and the Imperial Russian budget between 1905 and 1912. A Primary area of inquiry is the Tsarist Administration, which has generally been dismissed as stagnant, inefficient, irrational and an obstacle to progress. Efforts at presenting heterogeneity within the bureaucracy have usually been limited to categorizing various officials as liberal, conservative or reactionary. This is an over-simplified (and essentially meaningless) approach to a complex phenomenon—one which merits considerably more careful study. In this work, I attempt to reveal the variety of attitudes, perceptions and goals held by diverse forces within the State Administration; to explore the genesis of reform within governmental agencies and the process of decision-making at various levels, as Tsarist officials confronted the serious problems facing Russia.

The major area of inquiry is the role of Russia's first elected legislative institution, the State Duma, in the political system after 1905. I show the variety of governmental reactions to its creation, as well as the different approaches to reconciling the Duma with traditional bureaucratic and Imperial authority. An important aim of the dissertation is to assess the degree of influence and power exerted by the

Duma; to evaluate its participation in the formulation of policy related to modernization.

As a means of describing and analyzing the nature of the system evolving after 1905, I focus on certain aspects of the Tsarist budgetary process. The State budget reflects both the broad strategy and the specific tactics being employed by a nation attempting to overcome backwardness, since it illustrates the entire sweep of governmental activity.[1] It is therefore an excellent vehicle for revealing the nature of the problems faced by officials and politicians, their attitudes toward them, the variety of proposed solutions and even the degree of success of governmental policies. Of greater interest to me, however, is the fact that the budgetary process serves as a crucible for political activity. Aaron Wildavsky, a leading authority on American budgets, argues:

> If politics is regarded in part as conflict over whose preferences shall prevail in the determination of national policy, then the budget records the outcome of the struggle.[2]

In Russia, the Imperial budget became a testing ground for the political forces and institutions competing for influence and power within the State system. Focusing on how the system's components dealt with budgetary problems allows me to examine the political dynamics of the regime being created

---

[1] Aaron Wildavsky, The Politics of the Budgetary Process (Boston, 1964), p. 4.

[2] Ibid.

after 1905—the sources of unity and cohesion on the one hand, and conflict and tension on the other.

The dissertation is organized as a series of case studies linked by their revelations about perceptions of backwardness, the decision-making process and the pursuit of political power after 1905. Although I originally planned on an extensive and comprehensive examination of the budget in its entirety, it soon became apparent that a number of important budgetary problems could not be included. For example, the crucial question of agricultural vs. industrial priorities (as reflected by the financing of programs in these areas) demanded far more attention to the composition and aspirations of socio-economic groups than I was able to give. Moreover, it would have widened the scope of the study considerably beyond my major concern—conflicts over institutional prerogatives and constitutional interpretations within the State system.

The most important factor determining the specific content of the dissertation was the availability of sources. The archivists and assistants of the Central State Historical Archive of the U.S.S.R. (Leningrad) responded to my requests for materials on the budget with numerous dela on rules and procedures, tax reform and railroad management. These particular issues, as well as the case of military appropriations (for which many nonarchival sources were available), are of self evident importance to a backward country desperately in need of funds and anxious to recover from military defeat.

They highlight the political relationships and trends whose clarification is the primary aim of the dissertation.

ACKNOWLEDGMENTS

I appreciate the assistance of all members of my doctoral committee. I am greatly indebted to my Chairman, Professor William G. Rosenberg, not only for his lengthy and penetrating comments along the way, but for his personal concern and continuous encouragement throughout my graduate studies. He has helped make them a rewarding experience. Special thanks also go to Professor Arthur P. Mendel, who has been generous with his time and observations at all stages of the dissertation's preparation. Through lectures, seminars and informal discussions, he has significantly influenced my general perceptions of modern Russian history.

All stages of graduate study, including work on the dissertation, have been generously financed by the Center for Russian and East European Studies and the Horace J. Rackham School of Graduate Studies at The University of Michigan, as well as by the Fulbright-Hays Program. I am particularly grateful to the International Research and Exchanges Board and the Soviet Ministry of Higher Education for allowing me to participate in the Cultural Exchange of Young Professors and Graduate Students in 1970-71. It was an intensely rewarding experience, both academically and personally.

I would also like to thank the staffs of the Lenin Library (Moscow), Saltykov-Shchedrin Library (Leningrad), Central State

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NOTE ABOUT TRANSLITERATION SCHEME

The Library of Congress transliteration system (without diacritical marks) is used throughout.

CHAPTER I

THE RUSSIAN STATE SYSTEM IN TRANSITION

Prelude to 1905

Since the formation of the Great Russian State, and with increasing urgency after the founding of the Empire by Peter the Great, the Russian political system has been faced with the task of mobilizing limited and widely scattered human and material resources, and of allocating them in such a way as to enhance the Empire's position abroad. Throughout the eighteenth and much of the nineteenth century the twin pillars of Tsarism, Autocracy and centralized bureaucracy, did succeed in maintaining Russia's prestige as a Great Power, but only at the price of enormous internal sacrifices. To mobilize resources adequate for the raising of a modern army, and for the maintenance of a burgeoning bureaucratic apparatus, it became increasingly necessary to take measures detrimental to long-term social and economic development. For most of the Imperial period, however, this did not affect the stability of the regime. In fact, despite periodic peasant outbursts and uprisings within the ruling elite, the years of the Empire were quite remarkable for their continuity in political and social structure, and in ideology. This was in sharp contrast to the political,

economic and social transformations sweeping the Western world during this period.

The first great contest between the rigidity and stability of Tsarism and the revolutionary dynamism of the West were the Napoleonic Wars of the early nineteenth century. Alexander I's triumphant march through Paris deluded the Autocrat and the bureaucracy into believing that the traditional Russian system was superior to the new Western experiments, and was the most effective means of maintaining Russia as a Great Power. Forty years later the Crimean War dramatized the reality which had been hidden by the victory of the Russian winter over the grande armée; the failure of the Tsarist regime to keep pace with European methods of resource mobilization and allocation, and the backwardness of the Russian State and society. The Great Reforms were an attempt to lay the foundations for the liberation of "productive forces" by emancipating the serfs, establishing a more modern legal system, instituting financial reforms and opening up new channels for the participation of public men in national life. Despite the inadequacies of these measures, the basis was laid for a more dynamic approach to the problems of realizing Russia's potential for economic, social and cultural development.

However, the reforms were accompanied by an increasingly powerful tendency to resist any political, institutional or ideological innovations. This course was the natural response to the insecurity felt by those in power during a period of

social and economic transformation. The reforms of the 1860s had, after all, been launched "from above," with the aim of strengthening the regime without fundamentally altering its political bases. Certain groups within society were not satisfied with such limited goals. Liberal elements of the nobility took advantage of increased freedom of expression accompanying the reform process to press for institutional and political changes, most notably some sort of representative assembly. Even more serious for the regime was the emergence of a visible revolutionary movement. Dissatisfied with both the direction and scope of reform, the radicals challenged the very legitimacy of the Autocracy. The Tsar fought back against both dangerous tendencies (liberal and revolutionary); with a few exceptions (i.e., military reforms of the 1870s), the latter years of Alexander II's reign were devoted to controlling and curtailing the innovations of the early 1860s.

In 1881, the terrorists succeeded in destroying their greatest enemy; the "Tsar Liberator" was blown up by a bomb while riding in St. Petersburg. Instead of overturning the regime and creating a new system, however, the deed (and its repressive aftermath) exhausted the revolutionary movement and tranquillized the rest of society. The next two decades, dominated by the reign of Alexander III (1881-1894), seemed like a return to the governing principles of Nicholas I—a reaffirmation of the soundness and superiority of the traditional system. The doubts about the viability

of the regime seemed forgotten; the Autocracy of Alexander III gave the outward appearance of permanent and unlimited authority. This impression of strength was reinforced by the phenomenal economic expansion based on railroad construction and heavy industry experienced by Russia in the 1880s and 1890s. The Empire actually seemed to be emerging from her condition of chronic backwardness vis-a-vis the West, while simultaneously maintaining remarkable internal stability. In fact, the very cornerstones of Tsarism during the last decades of the nineteenth century—intensive industrialization coupled with repressive political authoritarianism—were themselves helping to create the forces which eventually undermined the old regime.

In the first place, Count Witte's economic policies resulted in the growth of the urban proletariat. Fresh recruits from the countryside were funnelled into the harsh environments of new factory towns or already established workingmen's ghettoes. The loss of orientation felt by the former peasants, made more intolerable by brutal working conditions and official insensitivity, turned this group into a potentially explosive force. Perhaps even more serious was the impact of Witte's policies on Russia's most numerous class—the peasantry. His fiscal policies were designed to accumulate excess wealth from agricultural production; the result was a system of taxes and tariffs which victimized an already impoverished social class, and created enormous reservoirs of bitterness and hatred in the countryside. It

was from the ranks of an embittered proletariat and peasantry that Russia's professional revolutionaries hoped to form an army capable of overturning Tsarism.

A second consequence of the economic expansion of the 1880s-1890s was the emergence of additional educated and propertied groups within Russian society. Industrialization required the creation of thousands more lawyers, engineers, teachers, agronomists and entrepreneurs. These forces joined with existing elements of society (i.e., the liberal gentry active in the zemstvos) to rekindle the political activism which had submerged during the reign of Alexander III. The expanding educated elite began to respond with increasingly open dismay and frustration to the political harshness, arbitrariness, obscurantism and perhaps most serious of all, the seeming incompetence, of the Tsarist regime. The liberal movement gathered momentum after the disastrous famine of 1891-1892, which stood as evidence of the need for political and institutional change to meet the challenges of a complex world. After a decade of rising political discontent, the Russo-Japanese War reinforced the conviction that the old regime needed a complete overhauling. Humiliation at the hands of "inferior" Japan was clear evidence of Russia's technological barkwardness, of her failure to develop adequately her abundant human and natural resources, and to organize them to meet the ultimate test of any government or nation—war.

While Russia's military forces were undergoing disastrous defeats in the Far East, the social pressures which had been building during the previous decade finally exploded into serious worker and peasant unrest. Alienated elements of society also withdrew support from the regime which was threatened, in the fall of 1905, with a complete collapse of its authority. Pressured by the masses who were responding to socio-economic conditions, and by the educated elite which sought a more modern governmental mechanism, the Tsarist regime was forced to make concessions. The Imperial Manifesto of October 17, 1905 promised a popularly elected assembly and greater respect for civil liberties. These changes, perceived by conflicting groups in different ways, ushered in a new period of Russian political history which lasted well into the revolutions of 1917 and the civil war. Although far from broken, the forces of the old regime would no longer have a monopoly on legitimate (and legal) political activity. In fact, the period beginning in 1905 can be viewed as one of "non-government," of striving to clarify spheres of power and influence, or working out roles, functions and procedures, and of molding new traditions to replace or modify existing ones. The competition within Russian society and the bureaucracy for political authority had begun.

The Aftermath of 1905: Liberals and Absolutists

The years 1905-1907 were dominated by the struggle between two irreconcilable views of constitutionalism and politics: on the one hand the liberal-parliamentarian wing of society (obshchestvo) whose most vocal, active and well-organized faction was the Constitutional Democratic Party (Kadets), and on the other the forces representing absolutism and the old bureaucracy. The former believed themselves the rightful successors of a discredited system, while the latter, though badly shaken, continued to resist renunciation of the old regime's legitimacy. The confrontation was set in a context of popular revolutionary unrest on the part of workers and peasants, which significantly affected its course and outcome. As will become clear below, alternative attitudes, forms and methods of government would eventually come to occupy center stage. Still, even after 1907, these rival conceptions of the kind of political system best suited to Russia would continue to influence strongly the process of creating a viable and cohesive political mechanism.

At the root of the Kadet outlook was a belief in the irreconcilability of two principles, the "administrative (administrativnoe)" and the "public (obshchestvennoe)." The liberals interpreted Russian history, especially since the Great Reforms of the 1860s, as the struggle between these two bases of state and national life.[1] The former, which characterized the Autocracy and highly centralized bureaucratic

structure, was seen as incompatible with the spirit of legality (zakonnost'), with justice and with rational government. The Tsarist administrative machine was more than just corrupt, brutal and arbitrary. Equally important, it had lost touch with the realities and imperatives of Russian life, and was an obstacle to the development of "normal" political, social and economic relations. Writing in 1902, Paul Miliukov, later Chairman of the Kadet Central Committee, argued that

> ...free forms of political life...become necessary when public life becomes so complicated that it can no longer be contained within the framework of a more primitive public structure. When such a time arrives, when the new year of history knocks at the door, it is useless to place restraints and delays in its path. It will come just the same.[2]

Thus, Miliukov pronounced the inevitable sweeping away of a political superstructure which had become obsolete. It was to be replaced by a Western style liberal parliamentary system dedicated to the transformation of Russia through democratic economic and social reforms. Only through the granting of a constitutional charter guaranteeing civil and political rights, and a popular assembly giving society legislative powers and control over the executive could Russian life become based on the principle of obshchestvennost'. And only in this way could she modernize herself and face the challenges of the twentieth century.[3]

Considering their programmatic demands for fundamental structural reorganization of the existing system, it is not surprising that Kadet-oriented society reacted to the Government's concessions of 1904-05 with dissatisfaction and

skepticism. Prince Sviatopolk-Mirsky's conciliatory speech of September 16, 1904, the December 12 ukase promising reform, the February 18, 1905 Bulygin Rescript promising public participation in government, and the August 12 announcement of a consultative Duma were all too late, vaguely worded and actually supportive of the traditional bases of the Tsarist political system. Furthermore, these concessions were always accompanied by declarations condemning the very public activity which had prompted them, and by simultaneous measures to assure Government control.[4] Although the manifesto of October 17, 1905 did indeed promise civil rights and a legislative Duma, and was received by much of society with great enthusiasm, Miliukov dampened the victory celebration by regarding the Manifesto as marking the beginning rather than the end of the struggle.[5] He demanded that further concessions be made, including the fullest extension of civil rights, abolition of the exceptional laws, political amnesty and a Ministry responsible to the Duma majority. It is significant that the initial Kadet reply to the October Manifesto's Duma called it only one of the means toward the summoning of a Constituent Assembly, in this way asserting that Russia still lacked a real constitution.

The prospects for "constitutionalism" became bleaker over the next few months, as the Government, regaining its confidence after the suppression of the December Moscow uprising, issued several proclamations defining the legal bases of the new regime. Miliukov found the December 11

electoral law an improvement over its predecessor, but still far from the liberal "4-tail" suffrage demand (universal, direct, equal and secret). The February 20 Duma and State Council Statutes were totally unacceptable, with the Upper House being denounced as a bureaucratic appendage. Finally, the April 23, 1906 Fundamental Laws of the Russian Empire sharply limited the powers of the State Duma, while preserving the title of "Autocrat" for the Tsar. Getting advance notice of these laws several days before official promulgation, Miliukov wrote in Rech' that "a future conflict is becoming inevitable if the Fundamental Laws pass in the proposed form."[7]

The extreme dissatisfaction of the Kadets with the concessions made by the regime did not preclude participation in the new representative institution. In fact, as we shall see below, the existence of even a highly imperfect legislative system posed serious psychological, moral and tactical dilemmas for the liberals which would persist until the collapse of the Empire. For now, however, it is sufficient to state that the Kadets began legislative work under the assumption that the promise of "constitutionalism" made on October 17, 1905 had been nullified immediately by the illegitimate (and illegal) measures which followed. The slogan for the first Duma was the taking of power and the establishment of liberal parliamentary rule by "direct storm." The Kadets pressed their demands for a responsible Ministry and pushed passage of a vote of no confidence in the

Government after Prime Minister Goremykin's address of May 13, 1906. Although tactically adjusting to increasing Tsarist power by calling only for "correct siege" in the second Duma, the essence of the Kadet position remained the irreconcilability of the Tsarist vlast' (rule) with genuine liberal constitutionalism.[8]

If the Kadets perceived of the period after 1905 as one in which progressive obshchestvo had to struggle to achieve a "real" constitution in the face of inadequate Government concessions, then the dominant mood at Court and within the bureaucracy was one of determination to reconcile the newly granted "constitution" (meaning Duma) with the patterns and traditions of the old regime, and in fact to reject the idea that the system had been changed in any significant way. Nicholas II and his closest advisors inside and out of the Government were never able to divorce the State Duma from the conditions of defeat, humiliation and anarchy from which it emerged. Even after the revolution had quieted, the Duma and its partisans in society were held suspect. Duma and revolution, Duma and treason, Duma and ignominious surrender of Imperial prerogatives and honor; these were the slogans and perceptions of 1905-1906 which were etched irrevocably into much of official Russia.

The granting of an elective legislature was a denial of all that Nicholas, as a man and Emperor, believed in. It is doubtful whether the philosophical bases of Nicholas' thoughts were as sophisticated as those of his teacher

Konstantin Pobedonostsev. The latter had categorized the principle of sovereignty of the people as being among "the falsest of political principles." He denounced parliaments, electoral politics and political parties as promoters of egoism, petty ambition, demogoguery and anarchy.[9] What Nicholas failed to absorb from his various tutors he learned first hand by observing his father Alexander III, the living embodiment of the doctrine that "the Russian Tsars are the masters whom God has willed to bestow on Holy Russia in her boundless immensity."[10]

In January 1895, shortly after ascending to the throne, the new Emperor showed his attitude toward any infringements on the traditional absolutism by denouncing suggestions of public participation in internal rule (upravlenie) as "senseless dreams." He vowed to preserve the principle of "autocracy just as firmly and resolutely" as had his "unforgettable father."[11] Considering this philosophical and emotional attachment to autocracy, it is no wonder that the Emperor could never fully accept renunciation of its heritage. Despite concessions to the political democracy he despised, Nicholas always fought the idea that the nature of the regime had changed, and that there were to be new sources of power and authority. Thus on June 6, 1905, the Tsar first repeated his "unshakable" intention to call elected representatives of the people for State work. He then expressed certainty that Russia would be renewed, and the hope that it would be "as of old," a unity between Tsar and all Russia.[12] Similarly, on

October 19 he wrote to his mother describing his feelings at the time he issued the manifesto creating the Duma. He was given the choice of either "rivers of blood" or the granting of the Legislature, and the latter, he writes with anguish, "of course would be a constitution."[13] And yet despite this "terrible decision," the Emperor would not give up his conviction that the old forms could be preserved. On February 26, 1906 he declared to a deputation of a leading monarchist party that "the reforms granted by me by the Manifesto of October 17 will be carried out inflexibly, and the rights granted by me to the whole population are irrevocable. My Autocracy will remain just as it was before."[14]

Nicholas' confidence that autocratic principles could be retained, and that the October Manifesto was a tragic mistake, a concession wrung from him by those seeking to take advantage of Russia's weakened position, was reinforced by the appearance of monarchist groups within obshchestvo and by loyalist bureaucrats. It was just ten days after the Manifesto that the Emperor could write to his mother of the many telegrams received urging the preservation of the Autocracy. He laments, "Why were they silent before, the good people?"[15] Indeed, with October 1905 we see an increasing swell of counter-revolutionary sentiment criticizing the concessions granted as too liberal and conciliatory.[16] Thus, groups like the Union of Russian People and the Russian Conference continued to call for "orthodoxy, unlimited autocracy and

narodnost'," and to insist that the Autocracy had not been abolished by the Manifesto of October 17.[17]

Within the Tsarist Administration, these "anti-constitutional" views were expressed most vigorously by I. L. Goremykin, already in 1906 a museum-piece bureaucrat, a caricature of the rigid, narrowminded and obsolete Imperial official. He was to reappear again in 1914 on the eve of Russia's greatest trial, a hopeless and tragic symbol of the past. As the first Prime Minister to serve during a Duma session, he succeeded in straining to the breaking point the already fragile Government-liberal relations by the "ostentation with which he displayed his ultra-monarchical sentiments."[18] Goremykin took no pains to conceal his contempt for the Duma. The same can be said for most of the members of his cabinet. Foreign Minister A. P. Izvol'skii

them as a

> ...strange collection of functionaries...to be sure; united to each other by no common interest or program, if we except their antipathy to the new order of things and to the very principle of representative government.[19]

Thus, simultaneous with the granting of concessions to the revolution, traditional absolutism began to mobilize support within society, the Court and the Administration against the new "constitutionalism" and against the development of liberal institutions.

The forms of constitutionalism espoused by the Kadets, and the traditional absolutism of Nicholas and his followers

proved to be politically and ideologically irreconcilable during the 1905-1907 period. And yet neither side succeeded in imposing its maximum goals in regard to the institutional structure and political direction of the State system. The Constitutional Democrats could not establish liberal parliamentarism during the first Duma by directly storming the Tsarist Administration. The Vyborg Manifesto was evidence of the liberals' weakness and the Government's increasing mastery over the situation. The latter was beginning to mobilize the kind of power which might give traditional absolutists cause for hope. Indeed, the Emperor during this period became increasingly confident about his Government's ability to deal with the revolution and treason. His attitude is best summed up in a letter written March 29, 1907. He has received many telegrams calling for dissolution of the second Duma, but "it is too early for that. One must let them do something manifestly stupid or mean, and then—slap! and they are gone!"[20] The second Duma, the last to be dominated by the oppositionist Kadets and the overtly revolutionary parties was dissolved nearly three months later. It was replaced by one elected under an entirely new law, that of June 3, 1907, and one containing a majority of delegates far more conservative and less overtly oppositional than its predecessors.[21] The June 3 law did not mean, however, that Nicholas, Goremykin and other absolutists had succeeded in completely rescinding the October 17 Manifesto. The coup of June 3 actually opened up the stage

for an alternative political structure and a new set of relationships within the Russian State system which would threaten both the liberal ideals of the Kadets and the advocates of the old order by offering the possibility of creating a political organism based primarily on neither. The architect of the new regime was Prime Minister Peter A. Stolypin.

The Stolypin System: The Consolidation of Government Authority

From the time of his appointment to head the Council of Ministers in July 1906 until his death in September 1911, Stolypin sought to impose his own version of "constitutionalism" onto the Russian polity. He perceived his major task to be the creation of a powerful and dynamic State authority (vlast'), having as its institutional base the newly reorganized Council of Ministers. He inherited the post of Chairman of the Council from a man who had been incapable of using it forcefully (Count Witte), and from another who had no desire to do so (Goremykin).[22] The new Prime Minister was determined to take the reins of Government firmly into his own hands, first by suppressing the anarchy which he felt was sweeping through Russia, and second and in the long run more important, by imposing unity and coordination within the administrative apparatus.

By using his authority to crush revolutionary disturbances, Stolypin was responding to one of Nicholas' most

ardent desires, that is, for a strong, decisive and determined Government policy. During 1905-1906, denunciations of administrative weakness and cowardice filled Nicholas' correspondence. On October 19, 1905 he wrote, "We are in the midst of a revolution with an administrative apparatus entirely disorganized, and in this lies the main danger."[23] A few weeks later, on November 10, he wrote the following description of his Government:

> They talk a lot, but do little. Everybody is afraid of taking courageous action; I keep on trying to force them—even Witte himself—to behave more energetically. With us nobody is accustomed to shouldering responsibility.... In Petersburg the authorities seem to have less courage than anywhere else; and this more than anything deepens the impression that the Government, out of fear and indecision, does not dare to state openly what is permitted and what is not.[24]

Stolypin, first as Minister of the Interior and then as Prime Minister, did dare to play the role of policeman ruthlessly and effectively. His speeches in the Duma were hardnosed calls for "law and order" and respect for authority. The notorious "necktie parties," field courts-martial and Exceptional Statutes formed a basic part of his policy to assert Government authority, and he never attempted to dissociate himself from the bloodshed required to preserve that authority. Castigated as a butcher by the left, Stolypin was greeted by many as a "leader (vozhd')" capable of preserving order.[25] This sentiment was expressed in the spring of 1908 by N. F. Rikter, Chairman of the Moscow Zemstvo Board, who declared:

> You demonstrated that decisiveness which had been lacking in the directors of our fate—on the battlefields of Manchuria, in Portsmouth, in Saint Petersburg, and finally in all of Russia.[26]

The restoration of internal calm was seen by Stolypin as a prerequisite for the implementation of economic and social reforms (i.e., in agriculture and education) required to make Russia a modern Great Power. Furthermore, the prestige which pacification brought to him, the dependence which a frightened Court and Government felt upon Stolypin's decisiveness and strength, the respect given to his new Prime Minister by a relieved and grateful Tsar—all these served to strengthen Stolypin's early position within the administrative apparatus. This was extremely important to the success of establishing a strong State vlast', the major feature of which involved transforming the principles of the October 19 ukase calling for a united and coordinated Government into reality. Implicit in all of Stolypin's activities was the desire to impose what Cyril Black, speaking of modernizing leaders in general, has described as "a consolidation of policy-making" based on the wish to "mobilize and rationalize the resources of society with a view to achieving greater control, efficiency and production."[27] The chaos in the cities and countryside were only, after all, a reflection of the disorder within the Imperial Administration itself. Both were seen by Stolypin as obstacles to overcoming Russia's backwardness and creating a stable and healthy nation.

Chaos within the Imperial Administration was not a condition unique to periods of war and revolution. Russian political theorists as well as politicians had often described and condemned the lack of a coordinated governmental mechanism capable of channeling information and expertise into rational decision-making and of keeping a firm control and guidance over policy execution.[28] The old Council of Ministers, the Committee of Ministers and the State Council, all seen at various times as Russian parallels to Western style cabinets, suffered from a myriad of defects; lack of definiteness of authority, lack of order and regularity, lack of clear responsibility—in effect, an inability to control the enormous administrative machine. Izvol'skii recalls that before 1905 the ministers not only "had no common bond of unity between them, but considered it a point of honor to maintain an attitude of complete independence to eachother."[29] This picture is confirmed by the veteran official V. I. Gurko, who describes in detail the bureaucratic anarchy which made effective coordinated government impossible.[30]

The Council of Ministers of October 19, 1905 was created with the express intention of unifying the activities of the Tsarist Administration. Among the most important provisions were: (1) the Council was to be a clearing house for all information and ministerial reports of "general State significance;" (2) no "general measures" could be undertaken by any department except through the Council of Ministers; (3) no "generally significant" questions of Russian government could

be brought to the Monarch or decided separately by ministers without the knowledge and agreement of the Council; and (4) no bill could be submitted to the legislative bodies without the consent of the Council of Ministers.[31] The most novel and significant aspect of the new reform, however, was the creation of the post of Chairman of the Council of Ministers. Nolde describes this as the "touchstone of the reform of October 19, 1905."[32] His role, carefully outlined in the ukase, was designed to make him the prestigious head of Government; not an honorary chairman, but the clear superior of his colleagues. The Prime Minister's major powers included the right to demand explanations and information from each member of the Council, the obligation of members to inform him of any significant developments or measures, and implicitly, the right to nominate candidates for high posts.

As will be made clear throughout this study, despite the ukase of October 19 and the pressures for strong authority, the obstacles to unity and coordination were extremely difficult to overcome. It was not simple departmental incompetence and inefficiency alone which worked against the creation of a centralized authority, although these were, of course, factors. More important was the fact that the separate governmental institutions and agencies generally represented specific social, economic and ideological constituencies whose interests were not always in accord with the broad national policies and goals defined by the Council of Ministers. It was natural for the bureaucracy to resist changes in

priorities, prerogatives and jurisdiction which might imply a threat to existing patterns of power and decision-making. As we shall see below, considerable conflict did arise within the Administration over precisely what priorities were best for Russia, and which institutions could advance them most effectively and rationally.

The potential for conflict was heightened by the existence of ambiguities within the October 19 ukase itself, which tended to undermine the authority of the Council of Ministers and its Chairman. For example, the creation of the Council did not lead to the elimination of other institutions such as the War Council and Committee of Finances, which were left free to compete for power with the united Government. And even within the Council of Ministers itself, cherished privileges, prerogatives and oligarchical relationships remained. Ministers could still make reports directly to the Tsar in cases where the issue was not of "general significance" and related to other departments. This ambiguous phrase left much room for abuse. Moreover, the critically important Ministries of War, Navy, Foreign Affairs, the Imperial Court and Imperial Lands all struggled to retain their independence from the Council. Although legally part of that body, these Ministries avoided subordination by retaining traditional rights of audience with the Tsar, and by exercising complete control over personnel selection.

It will become clear, in fact, that the Emperor and those around him who supported Stolypin's assertion of strong

State authority against revolutionaries were not always reliable allies in efforts to gain control over the entire Government mechanism. It is, of course, true that Nicholas wanted order, decisiveness and control, and had therefore been willing to grant substantial powers to Stolypin in 1906-1907. In fact, the essential point of the October 19 ukase was that the Emperor would not himself become the Chairman of the Council of Ministers. And yet, as stated earlier, Nicholas took his role as Autocrat very seriously, and had great faith in the providential nature of his office. By endorsing a strong governmental institution headed by a powerful figure, he was potentially weakening autocracy and the functions of the Tsar, while strengthening the position of a Prime Minister who was seeking to expand his influence and power in all directions. As could be expected, Nicholas responded to this dilemma with unpredictable and inconsistent behavior, which added immeasurable difficulties for Stolypin in his political and administrative dealings.

Stolypin and Society

In order to attain his goals, Stolypin had to look beyond the Court and bureaucracy. This is an important factor which led to the initiation of a major cornerstone of his political system: a reconciliation between those in Government seeking rational, orderly and efficient change, and elements of society which could support this quest. Certainly

Stolypin's conciliatory attitude stemmed in part from an awareness that society required an outlet for dissent and activism as a means of reducing political alienation. This does not, however, diminish the importance of the positive image he had of the Council of Ministers acting in conjunction with a responsible society working through the Duma. They were to be the bases of a powerful vlast' dedicated to overcoming backwardness and preventing social revolution.

Stolypin's decision to seek support outside of the Imperial bureaucracy was an innovation of great importance, since even such "progressive" statesmen as M. Speranskii and N. Miliutin had relied almost exclusively on bureaucratic means of decision-making and problem solving. It is likely that the Prime Minister's respect for the energies and capabilities of Russian society stem in part from his own non-bureaucratic background, which was primarily in the provinces. Unlike V. N. Kokovtsov, I. L. Goremykin and even Count Witte, the other Prime Ministers of the pre-war period, Stolypin was not nurtured within the chancelleries of St. Petersburg.[33] Instead, he served terms as District and Provincial Marshal of the nobility, until becoming Governor of Grodno in 1902, and of Saratov in 1903 where he distinguished himself in the struggle against revolutionary disorders. He was, in effect, an alien in the capital with few connections to the old bureaucratic order. Alexander I. Guchkov, Stolypin's closest associate in the State Duma, pointed out many years later that the Prime Minister always preferred to have around him

men whom he could trust, men who were not bureaucrats of the old mold.[34]

The political group with which Stolypin sought to forge an alliance in the State Duma was the Union of 17 October (Octobrists) led by Guchkov. The Union, a very heterogeneous and loosely bound grouping, consisting largely of landowners and businessmen, but represented by professionals and members of the lower classes as well, formed the original basis of the June 3rd System. As the Soviet historian A. Ia. Avrekh has shown, the Octobrists joined with other elements of society in supporting the dissolution of the second Duma and the passage of an electoral law largely disenfranchising extreme oppositionists. It was they who benefitted most by becoming the third Duma's dominant (although not quite majority) party.[35] It is generally stated that in the socio-economic sense, the Stolypin system consisted of a wager on the strong potentially capitalistic and conservative peasant. The political parallel was Stolypin's wager on Octobrism as the best means of answering his need for a force in society willing to unite with the progressive rational elements of the Government under the banner of stability and modernization.

As should be evident from the composition of the party, it is extremely difficult to speak of the Octobrists as a united group representing a comprehensive programmatic or political tendency. This became increasingly evident in the years after 1905, as the party fragmented over specific issues and was wracked by a near absence of internal discipline.

Nevertheless, it is possible to articulate a general approach to politics and State institutions which seems characteristic of most Octobrists, or at least of their elected spokesmen. Despite the fragility and potentially contradictory nature of the coalition, Octobrism stood as an alternative to Kadet-oriented society, and thus made the June 3rd alliance possible.

To begin with, the Octobrists were a proudly counter-revolutionary party, feeling no hesitation about suppressing revolutionary demonstrations, and not at all inclined to associate with the left. In their view, the revolutionary parties were the direct enemy, while the Kadets had either aligned themselves with the forces of disorder, or had not taken adequately firm stands against them. The June 3rd electoral law was not designed to revert back to pre-1905 political and institutional relationships, but rather to preserve the victories expressed by the October manifesto, which was seen as a "momentous turn in the fate of our homeland." Most important, according to the Octobrists, it introduced into Russia "a lawful State" taking the form of a "constitutional monarchy" which could lead Russia to peaceful reform, and which needed vigorous protection from all varieties of extremism.[36]

Octobrist constitutionalism was not a clearly defined picture of the relationships among political institutions; nor was it a fully articulated statement of philosophy and program. It was more a state of mind, a general set of attitudes, a particular type of temperament and a vague set of principles and conceptions of government. Many Octobrists

were linked temperamentally and emotionally to the exponents of "small deed liberalism" of the period 1860s-1890s. Although going considerably further by calling for a legislative Duma and formal constitutional restraints on the Monarch, the Octobrists based their actions on appeals to compromise, gradualism, reasonableness and nonviolence. There was certainly a touch of the Slavophile tradition in their calls for consensus, for unity through hard work, loyalty, dedication and honesty. The Octobrists valued the principle of obshchestvennost' no less than did the Kadets, but they were repelled by the overtly oppositional and divisive tactics of the "dogmatic" parliamentarians who sought to make the Duma a battleground between society and the Government, and who besieged the latter with strident demands for immediate and total transformation.

What was really needed was the injection of rabotosposobnost' (the capacity for work) and an "understanding of the practical demands of life."[37] This could be supplied by the Octobrists—men close to the realities of Russian conditions who had long displayed a willingness to work for practical and realizable goals, not abstract principles. In effect, the Octobrists wished to create a situation in which the existence of a constitutional system would be accepted as given, thus removing the necessity of constantly defining and analyzing its nature. Thus, on November 13, 1907 at the height of a debate on how the third Duma should address the Tsar, as "autocratic" or "constitutional," Guchkov said:

> I will not undertake with words to convert into constitutionalists those who contend our understanding of the completed governmental revolution. I will not convince them with words, but I am certain that the peaceful, calm, loyal work of the third Duma will reconcile them to the transformation and that in a year or two, perhaps earlier, the debate over political form which divides us at present will not exist, that this poisoning sting which had so long irritated and aggravated our body politic shall be extricated.[38]

The political system must not be wracked by self-conscious theorizing, by petty squabbles among factions and by divisions stemming from dogmatic adherence to one form or another. Instead, Russia should be governed by a "contract of loyalty, of mutual loyalty between society and the Government."[39] As the Octobrist party platform declared, whatever the political, social and economic differences which have been divisive,

> ...the great danger, created by centuries long stagnation in the development of our political forms and threatening not only our prosperity, but the very existence of our homeland calls all to unity, to active work for the creation of a strong and authoritative power, which will find support in the faith and cooperation of the people and which alone by peaceful reforms can extricate the country from the present social chaos and secure internal peace and external security.[40]

The "contract" permitted the erection of a "constitutionalism" standing above party, above divisive class or economic interest, and above dogmatic polemics over form, essence and power. Octobrist "constitutionalism" was in fact a process, an unfolding of norms of behavior based on dedication to a higher purpose, that of Russia's prosperity and security. This unfolding could now take place on the basis of the principles and institutions of the October 17 Manifesto which

assured respect for the rule of law and wider public participation, and had set Russia on the correct path for her future development.

Stolypin and the Duma: Sources of Disunity

Through their alliance, Stolypin and the Duma Octobrist (joined by nonaligned moderates) were seeking to depoliticize the process of modernization, to work out a political and institutional mechanism based on fundamental consensus and trust as a means of overcoming economic, cultural and military backwardness. And yet, just as his efforts to establish a strong united Government faced internal contradictions and external resistance, so too did Stolypin's reconciliation with elements of society rest on relationships which were potentially quite fragile. There were two major sources of disunity and disequilibrium. First, the participants in the alliance did not define the foundations of the political system in the same way. There was little similarity in their conceptions of how the system would work in practice; that is, how the personal and institutional relationships would develop over time when confronted with concrete financial, economic and social questions demanding solutions. Second, the contradictions inherent in the alliance would be strengthened by the political tendencies supposedly suppressed by the June 3rd system; liberal parliamentarianism (of the Kadet wing of society) and traditional absolutism. The activities

of those who supported these irreconcilable approaches to politics actually promoted a common purpose; the weakening of the Stolypin-Octobrist solution to modernization and stability.

The major source of potential disunity stemmed from a profound misunderstanding as to the very bases of the alliance. There were sharp differences in conception of roles, functions and powers of the twin institutions of the regime—the Council of Ministers and the State Duma. For the Octobrist, the most important date in modern Russian history was October 17, 1905, when society was promised civil rights and a legislative Duma. The Popular Assembly, working in harmony with the Administration, would help direct the regeneration of Russia. The Duma, as the reposity of obshchestvennost', was seen as the fundamental institution of the new State structure, an end in itself and the culmination of many years of struggle. In fact, as far as the issue of respect for the Duma was concerned, the Octobrists (especially their aggressive and ambitious leaders like Guchkov) were much closer to the Kadets than they cared to admit, or perhaps themselves realized. Both groups believed that public participation through a representative Duma was necessary for the future healthy development of the Russian State and society. However, the Kadets denied that an adequate institution had been created in the years 1905-1907, while the Octobrists had confidence that the promise of the October 17 Manifesto could be fulfilled by the Popular Assembly as then constituted.

Stolypin, on the other hand, based his system on the implementation of the principles of the October 19 ukase which created a united and coordinated State vlast' in the Council of Ministers. It is no doubt true, as many Octobrists believed, that in 1907 Stolypin's goal was to work for the "consolidation of the new representative institutions."[41] However, as would become clear later, he never conceived of the Duma as an intrinsic good in itself, as the triumphant culmination of the movement for the rebirth of Russia. In fact, he valued the creative and energetic forces of obshchestvo as means for promoting the rationalization and unification of the State organism. He never intended to give these forces free rein, to allow them to develop spontaneously and in a completely undirected way. Rather he meant to harness them, to utilize them for his ultimate purposes and goals, which was the creation of a strong State vlast' with primary locus in the executive Council of Ministers of October 19. It is natural then, that when it would come to defining where the ultimate authority lay, where the final sources of power reposed, where the major decisions affecting State life would be made, and how implemented, Stolypin might be prompted to act in a way which could strain Government-Duma relations.

It is important to recall that the latent conflict between the executive and legislative institutions were always implicit, even during the very formation of the alliance. The Council of Ministers, born two days after the State Duma,

had always symbolized the guarding of the Administration from the organ of obshchestvo. Furthermore, the very formation of the June 3rd System, based on a violation of the Fundamental Laws, tended to reinforce the Administration's conviction that constitutionalism in a crisis could be defined according to the Government's best interests which were identified with those of the nation.[42] In order to preserve the Duma as an institution, and to create a potential for its cooperation with the Government, Stolypin had violated the most basic principles of legality, thus subordinating law to Government policy. In effect, the Government-Duma alliance was made possible by precisely the kind of action which could potentially disrupt it.

Guchkov himself on a number of occasions echoed Stolypin's call for a coordinated and decisive vlast', and by doing so associated "constitutionalism" with the idea of a united cabinet.[43] One of his demands to Stolypin during their negotiations for a Ministry of public activists was the outlining by the Government "of a definite program of activities which would connect all the members of a united cabinet and which would show public opinion that the Government was conducting a definite policy."[44] What Guchkov and other Octobrists failed to foresee, or at least underestimated, was the potential incompatibility of a legislative institution based on obshchestvennost' with a powerful State vlast' resting in an executive body, the Council of Ministers, which was not responsible to the Duma. This was not a question of great

importance to the Octobrists in 1907, intent as they were upon engaging in active, concrete and nonideological work and confident as well of their personal relationship with Stolypin. It was destined to become one, however, as the June 3rd System was confronted with tangible questions involving Russia's modernization.

The contradictions implicit in the very positions taken by the partners on such questions as constitutionalism, vlast' and obshchestvennost' were reinforced by pressures exerted directly from tendencies in the Russian polity not dedicated to preserving the alliance. As we have noted above, the Tsar was potentially hostile to the powers of the Council of Ministers and its Chairman. Equally threatening and disturbing to him were Stolypin's efforts to draw upon society for sources of support. The behavior of the first and second Dumas had confirmed in the Emperor's mind that the granting of a representative body had indeed been a tragedy for Russia, and that society's political activists had betrayed the crown and nation. The 3rd of June electoral law with its loyal Duma majority did not change the Tsar's feelings, as evidenced by his refusal to meet the third Duma in 1907.[45] It was not only due to the fact that the Legislature had not yet shown itself to be ready for joint work with the Government. In fact, the very institution of the Duma was suspect to the Emperor, and would always remain so.

The implications of Nicholas' basic mistrust of the new State institutions were highly significant. In a political

and institutional framework already rife with uncertainty and vagueness as to functions, procedures and prerogatives of the Council of Ministers and the State Duma, the injection of the "Emperor" as a political issue in itself could only promote greater potential for conflict and misunderstanding. Stolypin would repeatedly find himself hemmed in by pressures from the traditional absolutists who despised the Duma, and from his Octobrist allies for whom the Popular Assembly was the basic institution of the State system. As we shall see in later chapters, the question of Imperial prerogatives was to have tremendous influence on the efforts of Stolypin and the Octobrists to keep the alliance intact.

Just as the aspirations and goals of autocracy were threatened by the successful implementation of the Stolypin system, so too were the liberal parliamentarian Kadets faced with a serious delemma. Even in the first two Dumas the Constitutional-Democrats had wavered between complete rejection of the political concessions as being inadequate for Russia's regeneration on the one hand, and participation in the imperfect institutions with the hope of preserving them, and using them as the basis for future constitutional struggles on the other. The danger of course was that organic work in a "false" political framework might undermine the potential for implanting genuine parliamentarism. This dilemma was quite evident during the second Duma, when the Kadets were the centrist party striving to protect at least some vestiges of the principle of parliamentary government

from both the left and right. The electoral law of June 3rd deepened the liberals' dilemma over participation in a blatantly unrepresentative and undemocratic institution. Yet it simultaneously freed them from the burden of being the majority party in an "anti-constitutional" setting.

The Kadets, as the third Duma's "left," set themselves the task of being the parliamentary and constitutional conscience of that body. They sought to draw the Octobrist away from its "unholy" alliance with the Government. As we shall see below, by defying the Octobrists to defend the "principles of the Union of October," the Kadets would attempt to highlight the contradictions inherent in the alliance of Duma-obshchestvennost' on one hand, and the executive State vlast' on the other. The Kadets would also put pressure on the limits of the Octobrists' loyalty to the Emperor by pointing to the incompatibilities of Duma and Imperial prerogatives. Thus, the liberal parliamentarians and the traditional absolutists, although irreconciliable foes themselves, were both potential subverters of the alternate system established by Stolypin.

In this chapter, I have attempted to outline the most significant approaches to "constitutionalism" articulated during the period 1905-1907. The Constitutional-Democrats sought to establish a liberal-parliamentary regime based on the principles of obshchestvennost'. Only such a regime could reorder Russia's priorities, release her "productive forces" and permit her to follow a "normal" course of

development. The traditional-absolutists, on the other hand, continued to hold the autocratic heritage sacred, despite the shocks of defeat and revolution. They equated "constitutionalism" with treason and subversion, and called for a strengthening and reaffirmation of the Autocracy. Rejected were any institutional and ideological changes in the State system which might alter its age-old foundations. Peter A. Stolypin's "constitutionalism" centered on a quest for rationality in government; for orderly, unified, coordinated and efficient functioning of the State vlast'. He sought to establish order and control in dealing with both revolutionary disturbances and with a traditionally anarchistic administrative machine. His ultimate goal was the controlled and stable modernization of Russia. Stolypin's major ally in obshchestvo was the leading party of the third Duma, the Union of October. The Octobrists ardently believed in the principles of obshchestvennost', in the necessity of establishing a system which could reorder governmental methods and priorities with the aim of overcoming backwardness. Unlike the Kadets, however, they believed that the system created by the October 17 Manifesto and the June 3rd electoral law did provide the basis for the organic development and maturation of a polity based on those principles. With the commencement of the third Duma's term, these divergent attitudes toward "constitutionalism" would begin to interact with each other and compete for dominance as the Russian State system faced the ordeal of overcoming

backwardness caused by centuries-long social, economic and cultural stagnation, made even more acute by recent defeat and revolution.

Footnotes

[1]For an excellent example of this interpretation, see Paul Miliukov, Russia and its Crisis (New York, 1962), especially Chs. 3 and 4.

[2]Osvobozhdenie, June 18, 1902 quoted in Nathan Smith, "The Constitutional-Democratic Movement in Russia, 1902-1906" (unpublished Ph.D. dissertation, Department of History, University of Illinois, 1958), p. 42.

[3]The program of the Kadet Party as outlined in October 1905 is found in English translation in Sidney Harcave, First Blood: The Russian Revolution of 1905 (New York, 1964), pp. 292-300.

[4]For example, the December 12, 1904 ukase promising reform was actually published on December 14, along with a communique denouncing banquets and other such political activities. The February 18, 1905 Bulygin Rescript was accompanied by condemnations of revolutionary violence and by calls for patriotism and loyalty.

[5]Paul Miliukov, Political Memoirs, (ed.), Arthur P. Mendel (Ann Arbor, 1967), pp. 49-53.

[6]Thomas Riha, A Russian European: Paul Miliukov in Russian Politics (Notre Dame, 1968), pp. 94-95.

[7]Ibid., p. 122.

[8]For a full discussion of the composition and activities of the first and especially the second Dumas see Alfred Levin, The Second Duma (New Haven, 1940). Emphasis on the liberals is to be found in Judith Zimmerman, "Between Revolution and Reaction: The Russian Constitutional-Democratic Party October, 1905 to June, 1907" (unpublished Ph.D. dissertation, Department of History, Columbia University, 1967). For a well-known criticism of Kadet tactics by a fellow liberal and former member of the party, see V. A. Maklakov, The First State Duma: Contemporary Reminiscences (Bloomington, 1964).

[9]For a clear exposition of Pobedonostsev's views on politics, see Konstantin Pobedonostsev, Reflections of a Russian Statesman (Ann Arbor, 1965), pp. 22-58.

[10]A. A. Mossolov, At the Court of the Last Tsar (London, 1935), p. 4.

[11]Nikolai II, Polnoe sobranie rechei Imperatora Nikolaia II 1894-1906 (St. Petersburg, 1906), p. 7.

[12]Ibid., pp. 57-58.

[13]The Secret Letters of the Last Tsar (New York, 1938), p. 185.

[14]Nikolai II, Polnoe, p. 73.

[15]The Secret Letters, p. 188.

[16]For a survey, see John William Bohon, "Reactionary Politics in Russia: 1905-1909" (unpublished Ph.D dissertation, Department of History, University of North Carolina at Chapel Hill, 1967), especially Ch. 1.

[17]For a broad sampling of ultra-monarchist opinion, see Polnyi sbornik platformov vsekh politicheskikh partii (St. Petersburg, 1907).

[18]A. P. Iswolsky (Izvol'skii), Recollections of a Foreign Minister (New York, 1921), p. 83.

[19]Ibid., p. 82.

[20]The Secret Letters, p. 228.

[21]For details on the June 3rd electoral law, see E. A. Goldenweiser, "The Russian Duma," Political Science Quarterly, Vol. XXIX (1914), pp. 408-22. For a discussion of the political circumstances surrounding the dissolution of the second Duma and the new electoral structure consult Alfred Levin, "June 3, 1907: Action and Reaction," Essays in Russian History (eds.), A. Ferguson and A. Levin (Hamden, Conn., 1964), pp. 233-73.

[22]For an interesting discussion of the dilemma faced by Count Witte in 1905, as he sought to secure Autocracy and popular participation in government, see T. H. von Laue, "Count Witte and the Russian Revolution of 1905," American Slavic and East European Review, Vol. XVII (1958), pp. 25-46.

[23]The Secret Letters, p. 186.

[24]Ibid., pp. 191-92.

[25]"Iz dnevnika Lva Tikhomirova," Krasnyi Arkhiv, No. 72 (1935), p. 126.

[26]Predsedatel' soveta ministrov Petr Arkadevich Stolypin (St. Petersburg, 1909), p. 85.

[27]Cyril E. Black, The Dynamics of Modernization (New York, 1967), p. 13.

[28]See, for example, V. E. Romanovskii, Gosudarstvennye uchrezhdeniia drevnei i novoi Rossii (Moscow, 1911), and V. M. Gribovskii, Gosudarstvennoe ustroistvo i upravlenie Rossiiskoi Imperii (Odessa, 1912).

[29]Iswolsky, Recollections, p. 112.

[30]Vladimir I. Gurko, Features and Figures of the Past (Stanford, 1939), pp. 30-33.

[31]For the most exhaustive study of the new Council of Ministers consult Boris E. Nol'de, Ocherki russkogo gosudarstvennogo prava (St. Petersburg, 1911), Pt. II. For a briefer discussion of the new institution, see G. B. Sliozberg, Dorevoliutsionnyi stroi Rossii (Paris, 1933), pp. 138-42.

[32]Nol'de, Ocherki, p. 174.

[33]For the basic biographical information on Stolypin, see L. I. Strakhovsky, "The Statesmanship of Peter Stolypin: A Reappraisal," Slavonic and East European Review, Vol. XXXVII (1959), pp. 348-70. A more detailed account of Stolypin's early career is in Mary E. Schaeffer, "The Political Policies of P. A. Stolypin, Minister of Interior and Chairman of the Council of Ministers in Russia 1906-1911" (unpublished Ph.D. dissertation, Department of History, Indiana University, 1964), Ch. 1.

[34]"Iz vospominaniia A. I. Guchkova," Posledniia Novosti, August 16, 1936.

[35]For a detailed study of the origins of the third Duma bloc, see A. Ia. Avrekh, "Tret'eiunskaia monarkhiia i obrazovanie tret'edumskogo pomeshchich'e-burzhuaznogo bloka," Vestnik Moskovskogo Universiteta Seriia 1, No. 1 (1956), pp. 3-70. For the best recent account of the Octobrists and their relations with Stolypin, see G. A. Hosking, "P. A. Stolypin and the Octobrist Party," Slavonic and East European Review, Vol. XLVII (1969), pp. 137-60.

[36]Polnyi sbornik, p. 111.

[37]Ia. Miketov, Chto sdelalo narodnoe predstavitel'stvo tretego sozyva (St. Petersburg, 1912), p. 53.

[38]Quoted in Louis Menashe, "'A Liberal With Spurs': Alexander Guchkov, A Russian Bourgeois in Politics," Russian Review, Vol. XXVI (1967), p. 42.

[39]"Types of Russian Political Oratory. The General Political Situation and the Octobrist Party," speech at the Octobrist Conference on November 21, 1913, Russian Review (London), Vol. III (1914), p. 143.

[40]Polnyi sbornik, p. 114.

[41]Sergius Syromatnikov, "Reminiscences of Stolypin," Russian Review (London), Vol. I (1912), p. 78.

[42]This was acknowledged later by the Minister of Finances V. N. Kokovtsev in P. E. Shchegolev (ed.), Padenie tsarskogo rezhima, 7 vols. (Moscow, 1927), Vol. VII, p. 102, and by one of Stolypin's closest associates in government, S. E. Kryzhanovskii, Vospominaniia (Berlin, 192-?), p. 114. For a sophisticated Soviet view of the bureaucracy's conception of its own "nadklasnost'" and special capacity for dealing with "obshchenarodnye (overall national) needs" see A. Ia. Avrekh, "Russkii absolutizm i ego rol' v utverzhdenii kapitalizma v Rossii," Istoriia SSSR, No. 2 (1968), pp. 102-103.

[43]"Types of Russian Political Oratory," Russian Review, Vol. III (1914), p. 148.

[44]"Iz vospominanii A. I. Guchkova," Posledniia Novosti, August 16, 1936.

[45]"Perepiska N. A. Romanova i P. A. Stolypina 1906-1911," Krasnyi Arkhiv, No. 4 (1924), p. 115.

CHAPTER II

THE BUDGETARY MECHANISM: PERCEPTIONS AND POLITICS

The Imperial budget was widely perceived as an instrument through which modernization attempts could be carried out. The major features of the budgetary process (compilation, review, execution and control) were defined officially by a large body of rules and laws, many of which were formulated in response to and as part of the 1905-1906 institutional reforms. The most significant among these were the rules of May 22, 1862, the ukase of October 19, 1905, the February 20, 1906 Uchrezhdenie (statutes) of the State Duma and State Council, the budget rules of March 8, 1906, and the Fundamental Laws of April 23, 1906. In the period of transition after 1905, the interpretation and implementation of the rules governing the budget became a testing ground for the institutional and political relationships described in Chapter I. Two major issues pertaining to the State system as a whole found a special focus in the problem of defining the budgetary process. These were: (1) the role of society and the legislative institutions, and (2) the degree to which coordination and order could be imposed upon the activities of the bureaucratic apparatus. The conflicts which ensued were of importance not only for the areas of state and national

life directly affected by the budget, but for the personal, institutional and political relationships which formed the basis of the June 3rd System as well.

Liberal Constitutionalism and the Budgetary Process

Russian liberals in society and the State Duma were committed to a constitutionalism which would see the triumph of obshchestvennost' over the traditional forces of the old regime. The latter were seen as inherently promoting corruption, inefficiency, irrationality and injustice, while serving as obstacles to the development of a healthy, creative and productive nation and people. An equation implicit in much of the liberals' ideology was that the progressive development of State and society required constitutionalism, and that the essence of the latter was public control over the instruments of Government most relevant to modernization. This was translated into a conviction that modernization required a budgetary mechanism which would conform to Western parliamentary models.

Consistent with their overall analysis of the inadequacies of the post-1905 reforms, the liberals, in particular the Kadets, argued that the existing framework did not provide for a viable and progressive budgetary mechanism.[1] They complained that the Duma had not been given budgetary powers commensurate with its rightful status as a parliament in a constitutional regime. The Kadets argued that the rules

which governed Duma prerogatives had been conceived and compiled in mid-1905, when a purely advisory (rather than legislative) representative institution was being envisioned. Legal statutes had not kept pace with the legitimate expectations of those demanding strong Duma rights in the State system. As a result, the Administration maintained the same potential for arbitrary behavior on budgetary questions, thus perpetuating the waste, irrationality and stagnation of old regime procedures.

Heaviest criticism was focused on the so-called "ironclad (zabronirovannaia)" sections of the budget—those which were guarded from legislative jurisdiction by statutes of the Fundamental Laws and March 8 budget rules.[2] In certain cases, the Duma could not even discuss particular credit allocations. Entirely excluded from any legislative consideration, for example, were appropriations to the Ministry of the Imperial Court which did not exceed the sums designated by the last pre-Duma budget of 1906 (Article 5 of March 8 rules). Similar restrictions applied to credits for the Private Imperial Chancellery, the special reserve emergency fund of ten million rubles (Article 6 of March 8 rules) and many others.[3]

In certain cases, the legislative institutions were permitted to ratify or increase particular credit allocations, but were not allowed to reduce or eliminate them. A notable example was the section which designated payments on the national debt (Article 7 of the March 8 rules, 72 of the

Fundamental Laws). The most significant and widely criticized obstacles to Duma action on the budget were Articles 9 and 10 of the March 8 rules which held that credits must be granted for all authorizations based on legal titles and Imperial decrees published before the creation of the legislative institutions. The sums could be reduced or eliminated by the Duma and State Council only if the law on which they were based were repealed or changed by standard legislative procedure. The Kadets maintained that this provision was a blatant repudiation of the new constitutional order; in effect it made the institutions and programs of the old regime inviolate since the requisite legislative procedure was considered cumbersome and inefficient.[4]

The impact of these and similar statutes was evident in the 1907 budget, the first ever compiled and submitted according to the new legislative procedures. The explanatory memorandum of the Finance Ministry stated that out of a total of ca. 2.2 billion rubles in the "normal budget,"[5] 1.3 percent could not be discussed by the legislative institutions, 48.7 percent could be discussed but not cut, and 50 percent were entirely open to Duma review and correction. As for the quantitatively less significant "extraordinary" expenditures, 30.6 percent could not be cut by the legislative bodies, while for 69.4 percent the Duma and State Council were given freedom of choice. The Kadet chairman of the second Duma's Budget Commission, M. P. Fedorov, stated that even these percentages, unsatisfactory in themselves, were actually slanted to give

the impression of legislative powers which did not exist in reality. The Commission computed that the following percentages of the expenditures for each Ministry were not cut off from Duma jurisdiction: 1 percent of the Sinod, 13 percent of the War Ministry, 19 percent of the Ministry of the Interior, 19 percent of the Ministry of Foreign Affairs, 23 percent of the Ministry of Education, 37 percent of the Ministry of Justice, 44 percent of the State Control, 65 percent of the Chief Administration of Land Organization and Agriculture, 70 percent of the Ministry of Trade and Industry, 82 percent of the Ministry of Finances, 92 percent of the Naval Ministry, and 99 percent of the Ministry of Ways of Communications. By tabulating the Duma's powers in this way, Fedorov was able to argue that those very Ministries nominally free of "iron-clad" limitations (such as the Ministry of Finances and Ministry of Ways of Communications) were of less State importance than those heavily guarded from Duma jurisdiction (for example, the Ministries of Foreign Affairs and the Interior). Moreover, many of the credits in the former departments could only be cut with great difficulty due to practical and moral considerations (i.e., wages to railroad employees), while the latter two departments contained allocations desperately needing public supervision and control (such as the police department and subsidies to foreign powers).[6] All these exemptions were used by the Kadets as evidence that the regime had not become a truly constitutional one.

The corollary to liberal complaints that the Duma was cut off from substantial sections of the budget was the argument that the system as defined by the rules of 1905-1906 would perpetuate and in fact worsen the administrative arbitrariness of the old regime. The statue which aroused the most indignation was Article 17 of the March 8 rules, which stipulated that the Council of Ministers could authorize an emergency expenditure on its own volition if there was no time for normal legislative procedure. The Government could even withhold any information whatsoever about the expenditure if it considered secrecy necessary for "State interests." The Kadets maintained that there was not the slightest excuse for Article 17, since military emergency was the only possible reason for such allocations of funds, and these were specifically provided for in the undisputed Article 18 of the March 8 rules.[7]

Another important budgetary power which the liberals feared would be used in an arbitrary manner was the establishment of expenditure classification by governmental fiat. Usual budgetary procedure allows some manipulation and "transfer (peredvizhenie)" of authorized funds within specified sub-sections of the budget. For example, within a broad category of expenditures for maintenance of a railroad line, unused credits originally designated for repairing one station might be used to repair another. The Kadets and other critics held the existing classification to be irrational in the sense that totally different kinds of expenditures were

classified together under one category, thus allowing administrative agencies exorbitant powers of manipulation during the actual execution of the budget. They demanded a reclassification of expenditure categories through normal legislative procedure.[8]

The Kadets also expected abuses in the use of "conditional credits (uslovnye kredity)." The use of these credits dated back to the 1890s when administrative agencies would include expenditures in their budget estimates sent to the old State Council (a bureaucratic institution before 1906), even if there had not yet been legal authorization for these expenditures. The stipulations were that the credit had to be for an emergency, and that the legal authorization would have a good chance of Imperial affirmation before the start of the next fiscal year, when the conditional credit would go into effect. The conditional credit could not be for a measure requiring vast amounts of preparatory work. The liberal critics (and in fact critics of other political views) argued that the institutional reforms of 1905-1906 had done nothing to halt the abuse of this budgetary practice by the executive departments. Only public control over the budgetary process could stem the arbitrary expenditure of State funds.[9]

A final example of a budgetary practice which might be abused in the absence of extensive Duma powers was the implementation of "temporary expenditures (vremennye raskhody)," stipulated by Article 116 of the Fundamental Laws and Article 14 of the March 8 rules. It was stated that in the event of

late affirmation of the currently compiled budget (i.e., that of 1907), the budget of the preceding year (1906) would go into effect with changes permissable only when resulting from new laws passed since the acting budget (of 1906) was affirmed. The Council of Ministers was to direct the allocation of the funds to the administrative agencies on a monthly basis, with each monthly total not to exceed one-twelfth of the total sum of the last affirmed budget (of 1906). The liberals argued that the Government would manipulate the schedules of expenditures and bypass the demands of law.[10]

The liberals' fears of arbitrary administrative behavior (proizvol)were reinforced by the status and structure of the organs of State Control which emerged after 1905. Since 1862, the State Controller (Auditor) had been given the tasks of guaranteeing the legality of the execution of the budget and of participating in general financial and economic policy-making. Critics of the old regime had long complained that the control organs lacked adequate executive and judicial powers in their struggles with the administrative apparatus, and that this made genuine inspection impossible. They argued that the State Control was burdened with meaningless paperwork, deprived of powers of enforcement in areas legally under its jurisdiction, and worst of all, completely excluded from certain spheres of State life.[11]

These shortcomings, the liberals maintained, were not overcome by the institutional and legal reforms of 1905-06, but were in fact deepened as a consequence of the inclusion

of the State Controller within the united Council of Ministers after October 19, 1905. Instead of being independent of the higher administration it was designed to control and investigate, the State Controller was now subordinated to overall governmental policy. Most important, the State Duma and the control organs were to be deprived of the kind of relationship most conducive to legality and rationality. Paul Miliukov argued that the State Controller "must be the first friend and assistant of the Popular Assembly," since only the former could provide the Duma with the kind of information necessary for understanding the State economy and ferreting out abuses.[12]

The October 19 ukase had cut this desirable link, and had subordinated the State Control to the policies of a united Government which was not a progressive force. As Shingarev later argued, the coordination and unification of executive activity could be progressive only where there was "no steady striving to liquidate the role of the Assembly" and to establish the absolute supremacy of Government vlast'.[13] Within such an anti-constitutional Government authority, the State Controller could not play the necessary role of guardian of legality, efficiency and rationality, but would instead become subordinate to the very forces which weakened these desirable goals.

The broad criticism of the budgetary process launched by the Constitutional Democrats and others within liberal society thus bemoaned the impotence of the State Duma, the

arbitrary and uncontrolled power held by the Administration and the organizational weakness of the control organs which tended to reinforce the "anti-constitutional" balance of power. Basic to the liberal critique was the view that only a constitutional regime based on obshchestvennost' should be vested with the authority to coordinate and control governmental processes. It was with this ideological commitment in mind that the Kadets introduced into the second and again into the third Duma a project for fundamentally revising the March 8 budget rules, while simultaneously initiating a drive to reorganize the State Control. These projects were designed to create a system which would redress the balance in favor of obshchestvennost', to create a constitutional budgetary mechanism conducive to the overcoming of Russia's backwardness.[14]

Tsarist Budgetary Traditions

The Kadet critique was based on the premise that irrationality, illegality and arbitrariness are the indvitable consequences of administrative power unchecked by public participation in and control over decision-making. Certainly the defects which plagued the Imperial bureaucracy as a whole (described in Chapter I) had also been long apparent in the process of compiling, reviewing and executing the budget. At the same time, however, groups within the Tsarist Government were engaged in a continuous struggle to eliminate the kinds of abuses denounced by the Kadets. In fact,

throughout the 19th century, the most pronounced trend was towards budgetary unification and rationalization—the establishment of order and control over all the elements in the budgetary mechanism—despite the existence of firmly entrenched obstacles.[15]

Before the reign of Alexander I, Russia actually lacked detailed rules and norms designed to deal with budgetary problems on a national level. No institutions existed which could unify effectively the activities of the many governmental departments involved in compiling and executing the budget, as well as guarantee orderly and well-regulated administrative behavior. In 1802, the Ministry of Finances was established and entrusted with the task of compiling a yearly statement of revenues and expenditures, based on the recommendations of all executive agencies. The powers of the Ministry of Finances were broadened and defined more clearly by the Nakaz (Instruction) of Michael Speranskii in 1811. An effort was made to replace haphazard and nonuniform procedures with regularized ones; specific obligatory deadlines and forms were to be observed by the departments in making budgetary recommendations to the Finance Ministry. The latter would then compile a general national budget, submit it to the State Council (for review by a specialized commission), and then pass it on to the Tsar for final affirmation. In order to guarantee accurate and legal execution of the budget compiled in this new way, an additional institution, the Chief Administration for the Inspection of State Accounts, was

created. This was the first relatively modern State Auditor in Russia, and was entrusted with the surveillance of departmental revenue collection and expenditures.

The reforms under Alexander I were a major step in the direction of lawfully regulated procedures and centralized budgetary authority. An institutional framework was created, focusing on the Ministry of Finances and the State Auditor, and given the mandate to struggle against the forces promoting arbitrariness, lack of uniformity and disunity. However, despite the advances made, the traditions of intragovernmental independence and arbitrary behavior remained quite powerful. Spenranskii's Instruction was not detailed enough to serve as an adequate guide for administrative procedures. For example, there were no positive rules defining the kinds of corroborative data required of the departments to justify budgetary requests submitted to the Finance Minister. Moreover, the laws concerning the use of unspent credits were extremely vague; departments were frequently able to postpone for several years the spending of sums allocated in the legally affirmed budget. An even greater problem was the preservation of innumerable expenditures which were not included in the overall State budget; these were often financed by hidden funds not under the general supervision of the Finance Ministry. Perhaps most serious of all, the entire process was cloaked in secrecy, which added to the lack of controls and seeming chaos. On one occasion in 1850, for example, Nicholas I sought to keep a 33.5

million ruble deficit secret even from the State Council by ordering the Finance Minister to draw up an alternative budget which omitted 38 million rubles spent on military needs.[16]

The period of the Great Reforms saw a renewal of efforts to strengthen the principles of rationality and unity of the budget. The comprehensive rules of May 22, 1862 were designed primarily to concentrate greater power and authority into the hands of the Finance Ministry and State Control, as well as to present in exhaustive detail rules covering all aspects of budget compilation, review and execution. Specific and uniform procedures for the submission of departmental estimates to both the Finance Ministry and State Control were outlined. These estimates (budget recommendations of the administrative agencies) had to be drawn up in accordance with a uniform classification of revenues and expenditures. Unity of the Treasury was enhanced by the removal of many (but by no means all) independent sources of revenue from executive agencies, and the consolidation of these funds by the Finance Ministry. In addition, the State Control was strengthened by the establishment of a net of local organs whose task was to send accounts of executive activities to the central State Control. Of great importance, beginning with 1863 the State budget of the Russian Empire was published and distributed freely in Russia and abroad, thus exposing budgetary practices to the scrutiny of worldwide financial circles.

The reforms of the 1860s strengthened the positions of the State Controller and Finance Minister who, in the following decades, continued their efforts to consolidate and order the budgetary-financial mechanism. Examples of success included the incorporation of liquor monopoly and State Bank receipts and expenditures within the central budget (in the 1880s), as well as the further refinement of compilation and execution procedures designed to discourage arbitrariness. The reforms did not, however, resolve in a definitive way the intra-governmental conflicts between centrifugal forces represented by independent administrative agencies on the one hand, and those seeking to impose unity and rationality on the other. These conflicting tendencies continued into the twentieth century, and must be appreciated if we are to understand the nature of "budgetary problem" during the period of political and institutional transition after 1905.

V. N. Kokovtsev and the Dilemma of Russian Finances

The most active and powerful force within the Government in dealing with financial, budgetary and general economic questions was Vladimir N. Kokovtsev, Finance Minister almost continuously from 1904-1914, and Stolypin's successor as Chairman of the Council of Ministers in 1911. Unlike Stolpin, Kokovtsev was a product of the central Imperial Administration, chiefly the financial apparatus, having served in a

number of responsible positions before reaching the heights just as the old regime was being shaken by war and revolution.[17] Upon taking the post of Finance Minister, Kokovtsev set himself the task of furthering the trends established by his predecessors—the imposition of order and the establishment of control over all elements in the budgetry process. The task was complicated by the creation of new institutions, the Council of Ministers and State Duma, whose functions and powers were far from clear. It was made more urgent by a crisis in finances which had been developing before the war, but which reached dangerous dimensions in the aftermath of the Russo-Japanese War and 1905 revolution.

The cornerstones of the modern financial structure created by Count Witte in the 1890s were badly shaken during the years 1904-1905. Although the currency and gold supply withstood the extraordinary pressures of war itself rather well, the disorders which swept through Russia in the fall of 1905 substantially worsened the already tense situation.[18] The upper classes temporarily lost confidence in the future of the regime; the flight of capital abroad and a marked dwindling of gold reserves became the cause of grave concern to officials in charge of finances. The crisis was so serious that Ivan Shipov, the Finance Minister from October 1905 to April 1906, proposed temporary suspension of the convertibility of rubles into gold, a drastic step for an ardent supporter of the international gold standard.[19] The outlook improved somewhat in early 1906, due largely to foreign loans

negotiated by Kokovtsev and to some restoration of internal calm which eased the panic among the upper classes. In April 1906, shortly before his dismissal, Shipov asserted that the financial apparatus of the State had met a most severe test, and had proven Russia's "amazing strength and vitality."[20]

This optimistic appraisal was undoubtably designed to calm the nerves of a still frightened Russian public, and to assure foreign creditors that matters were under control. In fact, while complete disaster (renunciation of the gold standard) was averted, the war and revolution had strained the State's finances severely; new burdens were imposed on a budget which was already showing ominous weaknesses before the outbreak of hostilities. During the years 1904-1905, it was only with great difficulty that revenues could be found to balance the great demands for emergency credits. As indicated by the figures in Table I, the normal collection of revenue was slowed considerably; totals for normal revenue in 1904 and 1905 were actually below that of 1903. This was the result of dislocations in the country's industry, agriculture, commerce and transportation due to military mobilization, the strike movement and the loss of authority by Government agencies and institutions. Only in 1906 was there a return to more normal patterns of life which permitted greater revenue collections, although agrarian unrest along with coincidental poor harvests continued to have a deleterious effect.

TABLE I

REVENUES AND EXPENDITURES OF THE RUSSIAN STATE BUDGET, 1901–1905

(In Millions of Rubles)

Year	Normal Revenue		Normal Expenditure		Extraordinary Expenditure	
	Absolute Total	Difference from Previous Year	Absolute Total	Difference from Previous Year	Absolute Total	Difference from Previous Year
1901	1799.5		1664.9	+109.5	209.4	-124.4
1902	1905.4	+105.9	1802.1	+137.2	365.0	+155.6
1903	2031.8	+126.4	1883.0	+ 80.9	224.8	-140.2
1904	2018.3	- 13.5	1906.8	+ 23.8	830.8	+606.0
1905	2024.6	+ 6.3	1925.2	+ 18.4	1279.6	+448.8

Source: The Proposed Budget of the Empire for 1908 (St. Petersburg, 1907).

The burden of wartime expenditures could not, of course, be shouldered by normal receipts under any circumstances; the budgetary category "extraordinary expenditures," legally affirmed in 1895, was used to cover military outlays.[21] Table I shows the substantial sum of extraordinary expenditures for 1904-1905 (continuing into 1906), which were directed at the maintenance of the army and navy in the field, the emergency construction of railroads needed for the war effort, the replacement of exhausted supplies, the stationing of special forces in Siberia after the Portsmouth Peace, and emergency relief in famine areas. Some of the war and war-related expenditures were made from sums already at the disposal of the treasury in 1904 (the free surplus, svobodnaia nalichnost'), but most came as a result of huge foreign loans, generally contracted under very unfavorable conditions.[22] The record loans of 1905-1906 permitted the Tsarist Government to avoid complete bankruptcy, but the price was a substantial one since these obligations added to an already massive State debt, and made necessary even larger yearly interest payments (as well as complete liquidation of short-term loans) in the following period. It was this future burden which was of greatest concern to the rulers of Russia after 1905, and which gave cause for anxiety and pessimism.

Minister of Finances Kokovtsev was particularly concerned about the ability of State revenues to keep pace with anticipated increases in expenditures within the context of a new political and institutional framework. He was well aware of

the pre-war trend of rising departmental demands for credits and a slowing down of the expansion of normal revenues.[23] A variety of explanations for this unfavorable trend of revenues and expenditures had been made at the time, ranging from Russia's unlucky ties to a severe European depression to blanket condemnations of the entire financial system. Whatever the cause, it is certainly clear that stringent efforts had been made before the war to cut down on expenditures—to eliminate or suspend programs considered indispensable by the administrative departments. In the political atmosphere of Russia in 1905, however, the pressures for ever increasing expenditures could be expected to intensify.

In the first place, Kokovtsev envisioned a burgeoning of the demands of the civilian departments which had been suppressed even more forcefully during the war to provide extra funds for military purposes. The powerful current demanding enormous investments in postponed and entirely new programs was led by Prime Minister Stolypin, who called for the fulfillment of the State's long-delayed productive and cultural tasks.[24] A memorandum prepared for Kokovtsev in March 1908 was consistent with his earlier expectations of increases in civilian expenditures. Included in the list were ca. 98 million for primary education over 10-15 years, 3 million yearly for court reforms, at least 5 million each year to finance peasant migrations, 70 million over 7 years for commercial ports, perhaps 916 million over 5 years for strengthening and improving the State railroads, many

millions to renovate State factories, forestry operations and waterways, and numerous others. Furthermore, in his own testimony before the Finance Commission of the Duma, Kokovtsev added the prospects of unavoidable extraordinary expenditures, for example 400 million on the Amur Railroad and Second Siberian Magistrale, and 150 million for campaigns against famine.[25]

These projected civilian expenditures were dwarfed by those manufactured within the Naval and War Ministries. Some estimates of the long-term demands facing the Treasury were made in 1907-1908, although pressures for rebuilding the shattered military forces materialized as early as 1904. Thus, in 1907 War Minister Rediger received notice from his subordinates that the urgent allocation of 2.1 billion rubles was required to bring the army to combat readiness, including 900 million on artillery and 600 million on engineering projects. In addition, in March of that year the Naval Minister submitted four variations of strategic plans, with the maximum one totalling five billion for battle squadrons on all three seas.[26]

In Kokovtsev's view, one clearly based on the realities of Russia's financial potential, this outburst of ministerial demands posed a severe threat to budgetary stability. This in turn endangered the health and security of the State itself. The philosophy which consistently guided Kokovtsev's actions in the financial and economic sphere throughout his entire career was summed up in testimony before the Duma's Finance Commission on March 8, 1908. He proposed three

budgetary axioms which should govern the financial policies of a State: First, that deficits must be avoided "at all costs," for otherwise the State and all economic life would perish; second, that loans which shake the credibility of the State were not to be contracted; and third, that revenues should not be planned according to anticipated expenditures, but rather that expenditures be constructed on the basis of assured receipts. A fourth principle which was not elevated to the status of an "indisputable budgetary truth" but which Kokovtsev strongly believed in was the urgency of accumulating a free surplus (svobodnaia nalichnost') to be saved by the Treasury for emergencies.[27]

Kokovtsev's preoccupation as Finance Minister was to stem the tide of what he considered to be dangerous fiscal irresponsibility—to impose his own principles of budgetary restraint. He viewed this as the only realistic solution to the problem of Russia's post-war development. In a speech to the third Duma in 1907, Kokovtsev argued that it was easy to speak of the areas requiring a greater concentration of efforts and money. In fact, however, although the "needs are innumerable...the means to satisfy them are more than just limited." It had to be recalled that Russia was poor, and was only just beginning to make efforts to overcome the legacy of many years of poverty and relative inactivity. Before promoting new demands or reforms, it was necessary to consider how Russia could get the means to finance them.[28] Thus, the dilemma of backwardness was posed by Kokovtsev in

clear terms; Russia's very poverty made the mobilization of resources needed for programs designed to overcome backwardness an exceedingly difficult task. It was the highest priority for Russia to escape somehow from this tragic and frustrating circle which seemed to put great limits on the potential for reform and development.

Budgetary Coordination in a United Government

In Kokovtsev's view, the imposition of his budgetary axioms was the most direct and immediately realizable means of dealing with the dilemma of resource mobilization. With this as an underlying premise, he worked to achieve two closely related goals in the area of the budget: (1) centralized planning and coordination of departmental budget allocations, with the hope that restraints might be imposed on demands for credits and that a rational order of priorities might be worked out, and (2) further unification of financial operations and a regularization of rules and procedures pertaining to budget compilation and execution, in order to eliminate the waste caused by administrative arbitrariness. Kokovtsev perceived that these controls over the budgetary mechanism could best be achieved by a strengthened Ministry of Finances dedicated to the implementation of his financial philosophy.

To achieve these goals, however, Kokovtsev had to function within the newly created Council of Ministers, and under

the Prime Minister—the official head of the Government. It is important to note that Kokovtsev had been one of the most vigorous opponents of too powerful a centralized institution. During the drafting of the October 19 ukase, in fact, he persistently advocated the preservation of the Committee of Ministers and the rights of individual officials to submit independent reports to the Tsar.[29] This attitude can be attributed to Kokovtsev's fear that both he and his Ministry would lose influence and autonomy in a strongly united cabinet. After all, in the fall of 1905, strengthening the Council of Ministers meant giving support to a man everyone thought was out to seize dictatorial powers, which in Count Witte's case most certainly would have included a firm hand on financial policy.[30] Kokovtsev feared quite rightly that consolidation of power in Witte's hands would deprive him of his ministerial portfolio, in light of the personal and professional antagonisms which separated the two men.

The personal and political environment changed considerably between the fall of 1905 and the spring of 1906. After a forced retirement of six months, during Witte's tenure as Prime Minister, Kokovtsev returned to his Ministry to find P. A. Stolypin the new power in the Government hierarchy. Stolypin, who became Prime Minister a short time after Kokovtsev returned to his job, was a man with little experience in economic, financial and budgetary matters. The Minister of Finances, especially a strong and experienced one,

could well expect to play the leading role in the conduct of these affairs of State. As we have noted already, Stolypin himself was in one sense a source of support for those in the Government seeking new credits for expanded programs, the very forces Kokovtsev felt required restraint. On the other hand, the new Chairman was also dedicated to coordinating and controlling the many elements of the administrative apparatus. Kokovtsev proceeded to utilize and emphasize this latter aspect of Stolypin's governing principles in order to further the financial aims which he considered central to a healthy and secure State life.

To counter the intense pressures on the Treasury being exerted by almost all administrative agencies, Kokovtsev carried out an intense campaign to dramatize the unrealistic and dangerous nature of the demands being made on the budget. He bombarded the Council of Ministers, and Stolypin as well, with detailed reports of the crisis in finances. In a note to the Council dated June 23, 1906 he recounted the reasons for obligatory restraint, which included the heavy new payments of interest required on loans contracted in 1904-1906, the instability of revenues resulting from the shaking of Government operations and the national economy, and the improbability of additional revenues from other sources (i.e., taxes) in the near future.[31] Kokovtsev then proposed a policy of extreme abstinence, in which all but the most crucial new requests would be denied, existing departmental budgets cut, reforms and reorganization involving new

expenditures delayed, and nonessential institutions and offices eliminated.[32]

In September 1906, he sent a personal appeal to Stolypin asking that the Prime Minister use the authority and mandate of the united Government to curb the appetites of the administrative departments. He urged that Stolypin

> ...as the main guide of overall policy of the Government, and as the man placed by the will of His Imperial Majesty at the head of all departments with the aim of uniting their activities...turn [his] attention to this matter and...take steps to halt the irresponsible growth of new demands in time.[33]

Thus, Kokovtsev's preoccupation with the budgetary crisis led him to support Stolypin's drive for a coordinated Government mechanism; the Finance Ministry might actually become stronger by working within the Council of Ministers.

A second goal, closely related to the paring down of credit requests, was the elimination of departmental arbitrariness through a regularization of the procedures used in the compilation and execution of the budget. This too was given an impetus by the creation of the Council of Ministers and the mandate against administrative inefficiency, chaos, irrationality and illegality which it represented. A notable example of Kokovtsev's efforts to control and regularize departmental behavior is to be found in the question of Article 116 of the Fundamental Laws. This had been bitterly condemned by the liberals since it gave the Council of Ministers the right to appropriate monthly sums totalling no more than one-twelfth of the previously affirmed budget in case of

late review of the following year's budget. Oppositionist critics felt that this statute would not be enforced, and that the departments would be uncontrolled in their demands for credits and their use of them. Kokovtsev, however, felt that when enforced by an authoritative Council of Ministers, Article 116 could be an extremely effective tool against administrative arbitrariness. If the procedure were carried out forcefully and regularly, it could be a means of restraining and controlling the various agencies by forcing them to comply with the law and reduce expenditures. At a Council of Ministers session in September 1906, Kokovtsev argued that the legislative bodies could not conceivably pass the budget until several months after the beginning of the new fiscal year (January 1), and that Article 116 would have to be implemented and faithfully enforced.[34] A number of ministers maintained that blind adherence to one-twelfth monthly allotments and rigid maximums would be harmful to their affairs, especially since many expenditures could be expected during the first month of the year. They argued that a three month lump sum appropriation (not to exceed three-twelfths of the 1906 total) would not be a license for administrative arbitrariness. The Council of Ministers decided to instruct all agencies to compile monthly temporary schedules, making all cuts possible, and to submit these to Deputy Finance Minister Chistiakov's Conference for final determination of expenditures. Kokovtsev's Deputy did succeed in making substantial reductions in the requests of

the departments, although January did in fact exceed the one-twelfth requirement.[35] The departments had, however, been forced to cancel and postpone the satisfaction of their demands, and did comply with the three-month allotment—a considerable achievement for Kokovtsev.[36]

An equally important issue of ministeral independence and arbitrariness was involved in the plans to reform the classification of expenditures, introduced by Kokovtsev's predecessor I. Shipov. The chaos of the classification had been criticized by the Kadets, and the financial apparatus agreed that a more coherent plan of organization was necessary for purposes of statistical evaluation, administration and economic forecasting.[37] Shipov made certain to insist that the new system, which would have fewer and consequently larger subdivisions, must not lead to abuses on the part of the executing agencies:

> Particularly necessary is vigilance in regard to extreme widening of the rights of executors in the transfer of credits. Here the interests of the departments do not always correspond with overall state interests [obshchegosudarstvennye]. the observance of which is the first obligation of any government.[38]

Upon resuming his activities as Finance Minister, Kokovtsev reiterated this fear that the new classification would give the agencies too much leverage, an undesirable development "from a general and financial viewpoint," and one which would justly be criticized by the legislative institutions.[39]

In numerous other ways, Kokovtsev showed his commitment to strengthening the principle of budgetary unity and

weakening departmental independence. He vigorously opposed extravagant use of conditional credits, and insisted that requests be transmitted to the Ministry of Finances and State Controller as far in advance as possible, along with detailed justifications.[40] Kokovtsev consistently argued that Articles 6, 9 and 17 of the March 8 rules (on the ten million energency fund, obligatory appropriations of pre-1907 authorizations and emergency expenditures when the Duma was not in session) should not be abused, and in this way resisted petitions for emergency appropriations which might involve arbitrary manipulation of the budget.[41] Of great importance as well was his insistence that unspent credits be returned to the Treasury, and that departments make available to his Ministry their sources of secret credits.[42]

In all these activities, Kokovtsev and to a lesser extent Shipov before him, continued to press for the kinds of developments which had been maturing steadily over the nineteenth century: centralization of Treasury and budget, elimination of arbitrary and irregular behavior on the part of executive agencies, consolidation of greater authority into the hands of the Finance Ministry and a general impulse towards efficiency and rationality in the operation of the budgetary mechanism. Kokovtsev especially had been prompted to act in this direction, in part because of his conception of the Finance Ministry as the heart of sound Government operations, in part due to his temperamental attachment to order and regular procedure, and finally because of the fiscal

crisis which threatened Russia with a deficit and currency instability. The Minister of Finances' efforts to enforce and expand his power to control and coordinate the budgetary process was affected dramatically, as we have seen, by the creation of the united Council of Ministers in October, 1905. Of equal importance was the founding of an institution which did not really correspond to any pre-reform Government organs—the State Duma.

Administrative Responses to the State Duma

Kokovtsev's reaction to the State Duma has been the subject of diverse interpretations, ranging from fearful opposition to tolerant acceptance.[43] In fact, his attitude contained elements of both. On the one hand, the creation of the new body promoted the drive of Kokovtsev (and Stolypin) to coordinate and centralize the budgetary process, by allowing him to argue that consolidation of the executive branch was needed in the face of a potentially hostile institution. In this sense, the existence and activities of the State Duma had to be welcome and encouraged. On the other hand, the Duma posed a potential threat to the ability of the united Government (the Council of Ministers and Finance Ministry as opposed to the individual departments) to maintain its own flexibility of action, its own prerogatives and powers in the State system. It is for this reason that the activities and rights of the new legislative institution required careful circumscription.

The tendency of the impending State Duma to reinforce the trend toward administrative consolidation is evident in a revealing exchange between State Controller Lobko and Kokovtsev in the summer of 1905. The former maintained that the creation of an advisory organ from popularly elected representatives, being a "reflection of a new basis in our state life, will inevitably bring with it a contraposition of the highest administrative institutions and the advisory organ." It was therefore necessary "to unite the direction of the activities of the various departments." Disagreements within the Government could not be exposed to elected people, since this could lead to "the competition of agencies among themselves," and a lowering of the "authority of the Government" in the eyes of the population.[44] Lobko's goal was an institution which could have enough authority to resolve departmental disagreements over the compilation of the budget. It should be composed of all the ministers and chief administrators, so as to formulate a genuine unity of interests on budget matters and overall problems of the State economy.[45]

Kokovtsev responded by saying that in the West, where ministers were subordinated to the Premier, such a collegial body could cope with departmental budget requests in a firm way. But in Russia the ministries were not united through allegiance to a program or political leader, and it would be a grave error to entrust the presentation of the budget to the Duma to a collegial organ of such departments. Kokovtsev

maintained that the preparation, presentation and defense of the budget before the advisory institution should be left to the Ministry of Finances working in small groups with the relevant ministries, the State Controller and the President of the Department of State Economy.[46]

Kokovtsev did not anticipate the establishment of the kind of Council of Ministers desired by Lobko, but when it was created, and he became the Minister of Finances within it, Kokovtsev was able to base his demands for control and unity on the spirit of the October 19 ukase and the threat inherent in the October 17 Manifesto. Hoping to use the Duma as a weapon to forge unity on budgetary questions, he argued at a Council of Ministers session that "in light of the fundamental changes in the structure of the State system," in particular under the new conditions of legislative activity, the Government consider means of removing all internal disagreements before submitting the budget to the Legislature. Earlier compilation had to be enforced to allow compliance with submission dates specified in the March 8 rules. He recommended the preservation of existing interdepartmental conferences of the relevant ministry with representatives of the Ministry of Finances and State Controller, and added that any estimate not evoking disagreements in these conferences should be considered final and approved. Irresolvable disputes would go to the department chiefs if necessary, and to the Council of Ministers as final judge.[47] Thus, Kokovtsev was attempting to devise budgetary procedures which would

use the ultimate authority and prestige of the Council of Ministers to legitimize and strengthen the practical powers of his own Ministry in directing the course of the budgetary process.[48]

While moving in this direction, Kokovtsev acted just as forcefully to keep the newly consolidated power under administrative control. An opponent of too much freedom and flexibility in the hands of separate agencies, he was simultaneously an advocate of guaranteeing the united Government adequate flexibility, power and prerogatives in the budgetary process, and of guarding administrative authority from the incursions of the legislative institutions. He argued against flexibility and independence when applied to individual agencies on the grounds that arbitrary and uncoordinated activity was detrimental to efficiency and rationality. But when liberal obshchestvo maintained that these goals required Duma control over the bureaucracy as a whole, the Government took measures to protect itself from infringements on executive prerogatives needed for the "good of the State."

This dichotomous attitude toward the budget rules and process was revealed in a series of practices which the Finance Minister sought to suppress in individual departments and justify when carried out by the united Government. A glaring example is the question of how the yearly classification of expenditures would be determined. While on the one hand fearful of departmental arbitrariness, both Shipov and Kokovtsev insisted that it be designed by the Administration

alone, in order to insure adequate flexibility for responding to constantly changing needs. On April 14, 1906, the Council of Ministers unanimously agreed that the classification of expenditures must not be submitted for legislative affirmation.[49] Kokovtsev justified this position by stating that the classification would be done under a general plan which would prevent administrative abuse, and that therefore legislative procedure was irrelevant and even harmful.[50]

Similar reasoning was used to justify the preservation of Articles 6 and 17 of the March 8 rules; Kokovtsev maintained that the "10 million fund" was necessary for the satisfaction of "urgent needs" to which the Government had to respond. Before the Duma, he argued that the sum reserved for a "rainy day (chernyi den')" was in fact tiny, and moreover spent carefully and thriftily.[51] Similarly, the Finance Minister claimed that he often opposed petitions to use Article 17 when legality and expediency were questionable. However, as he stated to the Council of Ministers, the availability of such an optional use of emergency credits was indispensable, since such crises as famines and other demands of a "political character" did occur, and occasionally even the use of secrecy "in the interests of the State" was justified.[52] In all these instances, and in numerous others, the spokesmen for the financial apparatus fiercely upheld the prerogatives of the united executive organ, on the grounds that efficiency and rationality would be promoted and administrative arbitrariness curtailed.

The controversy over the status and organization of the State Control dramatized the issue of which institutions of the State system would define and supervise a viable budgetary mechanism. Liberal obshchestvo had sharply criticized the weakness and inadequacy of the inspection procedures, and had gone further by demanding structural changes to remove the State Control from the Council of Ministers. The Tsarist Government was not ignorant of the grave shortcomings in the insepction system, and had often encouraged reformers to work out plans for improvement.[53]

Of greater importance than the issue of inspectoral functions was the raising within official circles of protests against the inclusion of the State Controller in the consolidated governmental organ. In June 1905, Lobko reminded Kokovtsev of the State Control's "independent position among the State governmental institutions," and argued that the "unquestionably necessary" unification of Government departments should not violate that status. In particular, the Controller must not be bound by the arguments of the Minister of Finances made in the name of the Council of Ministers before the legislative bodies on matters relating to the budget and finances. On the contrary, the Controller should be permitted to express its differences with the central agency in charge of compilation in open forum at Duma sessions, and have the right to introduce independent conclusions on administration and the budget as well.[54]

The call for an independent State Control was not in accord with the general thrust of administrative reorganization taking place in 1905-1906. Kokovtsev, in 1905 himself ambiguous about the degree of power to be given a united governmental body, especially when the prerogatives of the Finance Ministry were involved, could not accept the idea of an independent agency judging budgetary and financial policy. He maintained that Lobko was correct in predicting inevitable conflicts between the administrative and advisory organs. This very development made governmental unity before the Duma absolutely indispensable for "pursuing as far as possible a common political program," and considering the State Controller's crucial role, an exception could not be made of it. To do so would encourage other departments to preserve unacceptable independent positions on budgetary matters.[55]

As the trend for consolidation became more pronounced, a State Controller was finally appointed who would vigorously support participation of his institution in the united Government. Shvanebakh argued that the October 19 ukase allowed no exceptions, and that the integrity of inspectoral functions was not violated by its implementation.[56] The main basis of Shvanebakh's argument was the position implicit in much of the Government's response to the Duma; the need for distinct separation of executive and legislative functions. He labeled the support of some Duma liberals for organic ties between the State Duma and State Control "a fundamental

violation of the basic principles of the State structure," a mixing of different branches of Government. This would be a "contradiction of the basic understanding of division of powers."[57] Shvanebakh especially opposed the idea of permanent participation of control officials in legislative commissions with an advisory vote. He argued that under no circumstances should the official be put in a position where he did not know who his real superior was, in the event of conflict between the Government and Duma.[58] The Council of Ministers, although instructing that a more conciliatory line be taken in public responses to Duma interpellations on the Control issue, nevertheless upheld the basic axiom of a united governmental front submerging the Controller within it.[59]

Underlying the Administration's responses to society's assertions in the budget field was a desire to compress the prerogatives of the Duma into manageable and unthreatening dimensions; to define in advance areas of power and function in order to guarantee that the new institution would not create a fundamentally new authority in the State system. The budget rules were clearly designed to guard the institutions and procedures of the State Administration (both pre- and post-reform) from the kind of revolutionary transformation threatened in 1905. The Articles providing for reserved areas (the 10 million fund, credit operations, etc.), executive flexibility (Article 17 and classification procedure), and the distinction between budgetary and legislative decisions

(Articles 9, 10) were intended to preserve the stability of the State system during its accommodation to the new forces of 1905-06. The insistence that the State Controller not have special relations with the Duma, but rather become a member of the united Government was further evidence that those pushing for the general consolidation of administrative vlast' into a coordinated organ were not willing to surrender control of that ruling power to obshchestvo. The conception of the Duma as a qualitatively unique culmination of the Liberation Movement designating new sources of ultimate authority was not acceptable even to the most "progressive" of Tsarist officials. The administrative consolidators, especially Stolypin and to a lesser extent Kokovtsev, did attribute positive functions to the participation of society in State life, but not to the extent of changing the basic structure of power. A major dilemma arising from such attitudes was the possibility of confrontation with forces in obshchestvo which held different views on the nature of the State system, especially after June 3, 1907 when the avoidance of such confrontations became a high priority for Stolypin's Government. Could the habits and values of administrative supremacy be made consistent with a political alliance based on mutual respect and cooperation of Government with groups in society holding high expectations about the future role of the Duma?

Political Tactics and the Budgetary Process: The Administration

The public posture taken by representatives of the Government in response to the liberal critique and Kadet project to change the March 8 rules clearly reveals their perception of what Administration-Duma relations ideally should be, and was directed at winning over "responsible" obshchestvo to this view. Stolypin, Kokvtsev and other members of the financial apparatus consciously strove to counter Kadet criticism by appealing to the very bases of the contract which linked the Government to the Octobrists and moderate Duma majority. As part of this effort, Kokovtsev declared in public sessions that there was no genuine basis for complaining about limitations on the legislative institutions. Admitting that some sectors were indeed cut off from Duma jurisdiction, he preferred to point to what he calculated to be the 60 percent of the budget open without constraints.[60] Certain areas were withheld from the legislative bodies for reasons of State interest and expediency, but what required emphasis was the great significance of those areas over which society had wide latitude. As Kokovtsev later wrote in his Memoirs, the budget rules "were not nearly so bad as the opposition press tried to represent them and really gave the representatives of the people great freedom in constructive work."[61]

It was the distinction between constructive and destructive work in budgetary matters that was crucial to the

Government's argument. The former, which had dominated the spirit of 1905-06, had to be suppressed, and thus Kokovtsev was not reticent about admitting the conservative nature of Articles 9 and 10, designed as they were to ensure the "uniform, calm and even direction of State management."[62] The Government's opposition to the Kadet project was not based on lack of trust or disrespect for the third Duma, but was simply an affirmation that all must "pay attention to the stability of that order which we all together with all our strength have vowed to preserve."[63]

Kokovtsev was appealing to what he judged to be the pragmatic, conservative and cautious nature of the Octobrist-dominated third Duma. It was essential to "guard against dangerous methods, against exceptionally rapid conclusions and attempts to achieve immediately that for which caution is required."[64] The first and second Dumas had not understood the boundaries of the possible, and wasted themselves in concern over abstract and unreachable goals, the striving for which was harmful to concrete gains. Outlining his personal philosophy, Kokovtsev told the Duma:

> The sphere of immutable truth in the field of finances is especially limited. In it, as in many other fields of human knowledge and even more than in most, there is a wide area of subjective views and debatable positions. The financial system of each state is the fruit of the eternal work of entire preceding generations.[65]

That system had developed within a historical and living context, and could undergo no radical transformation, but would only be destroyed in the attempt. It was essential that the

third Duma understand, as its predecessors had not, that limitations on human and institutional action were not arbitrarily imposed by rules, but by the tasks facing Russia.

The rules only reflected the boundaries within which constructive action could be taken by the Administration and legislative institutions working together to secure a healthy financial system and a flowering of the productive forces in Russia. But the third Duma, living in the shadow of its predecessors, would have to prove itself capable and worthy of successfully engaging in the complexities of budget work. In an interview with the Berliner Tageblatt, Kokovtsev expressed his views on the future:

> Much depends on whether the new Duma will show an understanding of the needs of the country. Healthy financial management is possible only when the legislating organs of the country do not strive to create difficulties for each other, but work hand in hand for the general good. The Government hopes that the third Duma will understand this perfectly.[66]

It was absolutely necessary to get on with work, to dispense with criticism based on abstract conceptions of power and functions, to avoid irrelevant verbiage and begin concrete and fruitful work in the commissions and Duma immediately.[67]

The Government, as part of its campaign for responsibility, constantly reminded the Duma majority that the Kadet-inspired tactic of "struggle for the sake of struggle, protest for the sake of protest" had to be vigorously combatted.[68] Kokovtsev argued that the Kadet project to change the budget rules was a repetition of one introduced into the second Duma, and that it was based on a priori judgments as to the

inadequacy of the existing structure, and not on real needs grounded in experience.[69] In fact, the project was simply an opportunity for the Kadets to raise one of those "big questions" with the purpose of intensifying the "process of struggle" which they so love.[70] They wished to strike at the entire budget at once, and therefore complained about the rules; but for serious activists (meaning the Octobrists and Duma moderates), the path of legislative activity within the existing framework offered much.[71] It must be the primary aim of the responsible Duma majority to work actively against the "destructive influences of the left [Kadets included]" and not to allow them the possibility of "rupturing the solidarity of the Duma with the Government."[72] In essence, the Government was appealing to the Duma moderate majority to adhere to the contract of anti-revolutionism, responsibility, hard work and depolitization in undertaking the crucial task of financial and budgetary reconstruction.

The Budgetary Process: The Kadet Challenge

The Government's concern with the stability of its relations with the Duma majority was justifiable in light of the persistent efforts of the Kadets to expose the fragility of the alliance. It is true that a vigorous minority within the Constitutional-Democratic Party denied any possibility of rupturing the bonds which tied the Octobrists to Stolypin's Administration. Kadet tactics, they argued, should not be

based on the hope of bridging the gap between the Octobrists and Kadets on any crucial issues.[73] Such tactics were considered by some to be too bland, too moderate, and actually outmoded in their adherence to the old strategem of "saving (berezhenie)" the Duma which was no longer pertinent to current realities. These radical Kadets, highly skeptical that progress could be made on substantive issues within the existing legal-institutional structure, and equally dubious that serious widening of the constitutional basis in the budgetary sphere would be granted by such a structure, hoped to concentrate party efforts on exposing the illegitimacy of the system for agitational and propoganda purposes. This tendency, in existence since the founding of the Party, continued to be felt in tactical discussions throughout the entire Duma period, as criticisms were made of fruitless legislative activity and inadequate attention to links with the electorate.[74]

Kadet leaders and budget spokesmen certainly did not deny that the party should attempt to represent and express the interests of the Russian masses by condemning a system which refused to satisfy their basic needs. However, such efforts were not to interfere with the general thrust of Kadet tactics, which involved participation in budget work with the aim of achieving concrete improvements, while simultaneously pressing the Octobrists to assert a more genuinely constitutional and anti-Government position. It would be highly inconsistent to condemn blindly a system in which at

least some concrete gains could be made, while it would be equally impolitic to alienate totally the very group in obshchestvo (the Octobrists) which the Kadets hoped to lure into the constitutional camp.

The major decision over formal participation in the system was actually made when the Kadets showed a readiness to work within Duma commissions. On March 20, 1907 Struve declared that his party well recognized the critical nature of the budget in determining the health of the Russian State economy, and would therefore not engage in "pointless demonstrations" which would have nothing to do with genuine construction.[75] The Kadets thus voted for sending the budget to the Budget Commission, declaring it the Duma's duty to review and analyze even a budget compiled under unsatisfactory conditions.[76] Daily work on concrete problems with the commissions was and would remain a compelling attraction for those who yearned for tangible gains in overcoming Russia's problems, and who could be at least temporarily satisfied by construction in a limited context.[77]

But this was not to be considered a substitute for the furtherance of genuine constitutional principles, without which really significant progress could not be made in overcoming backwardness. In contrast to the radicals who preached the unbreakable subservience of the Octobrists to the Government, the framers of Kadet budget tactics considered it at least a possibility that the alliance could be shaken. The project to change the March 8 rules and the proposals to

reorganize the State Control should be seen in this light. They were designed to prod the Octobrists, to appeal to the principles of obshchestvennost' which they claimed to believe in. It should be stated that no one was certain that any substantial success could be achieved in forcing cracks in the Government-Octobrist bloc, or in prodding the Duma majority to accept some or all of the Kadet-inspired proposals.[78] What is important is that there was enough likelihood of this to justify and reinforce the more moderate and gradualist tendencies existing within the Kadet Party.

For a number of influential liberals, the areas of state and national life embraced by the budget offered especially great potential for mobilizing large segments of obshchestvo against the Government. Shingarev, for example, maintained that the Duma majority was "uneducated" in a political sense—devoid of any knowledge of parliamentary work, with the exception of the budget question, over which the Octobrists gave indications of exerting themselves.[79] After a year's association with the Octobrists on the third Duma's Budget Commission, Shingarev would affirm what had been suspected at the beginning of the sessions; that constitutional principles might be supported by the Duma majority on the budget question. The terrible picture of the "dissolution" of the State economy was leading even the "law abiding" Duma majority to the "logical conclusion" that the bureaucracy could not cope with budgetary matters. Shingarev disagreed with those who saw no hope in the State Duma, and asserted that

even among the Moderate-Rightists "there was a sincere and honest element which could not without horror stand before the spectacle of unfolding ruin." The Kadet fraction must set itself the task of revealing the true situation to them, of representing the interests of all classes in exposing this "financial dissolution." In this task, the strength of the fraction was "enormous," her influence "inestimable."[80]

In order to exploit this potential source of oppositionism, the Kadet tactic throughout the first and later sessions was to challenge the Government's reasons for opposing the proposed changes in the March 8 rules. The liberals sought to undermine the confidence and trust constantly expressed in one another by the Administration and Duma majority by means of exposing the limitations within which the Duma was expected to function in the Government's interpretation of the State system. In arguing against the Government's assertion that Article 9 of the rules preserved stability, Shingarev spoke with the Octobrists clearly his intended audience:

> Gentlemen, members of the Duma, I don't believe that any guarantees are needed for the Popular Assembly to ensure that in its work it won't disturb the stability of the State economy. If the necessity of calling an Assembly is accepted, if it is recognized that it must do creative legislative work, then it is necessary to trust it.... It is necessary to think that it will never in its majority encroach upon the stability of the State Administration and disturb that of the State economy.[81]

Just the day before, Rech' had maintained that the Duma was being deprived of the opportunity to deal with the major

issues of national life, that Article 9 and others like it were established "with a militant aim"—to keep the old order intact against the forces of the new.[82] Time and again the liberals made efforts to show the Octobrists just how one-sided the contract of trust really was. Looking ahead somewhat to the later Duma debates on the rules, we see Miliukov in the strange position of telling the Budget Commission that Article 9 was based on fear of extreme radicalism in the Duma, but that the June 3rd electoral law made this fear invalid.[83] Kutler echoed this sentiment, proclaiming,

> I understand that this lack of faith has not disappeared even at the present time. But if the Government can be guided by these considerations [of mistrust], the State Duma must not admit such lack of confidence in itself.[84]

And finally, a particularly revealing confrontation occurred in 1909 when Shingarev got Controller Kharitonov to admit that Article 6 had been devised "as a precaution, so that the Government would have funds in its hands for unforeseen needs." Shingarev exclaimed that past motivations did not concern him, and pressed on to inquire whether the same care was still needed, to which Kharitonov replied, "At the present time the Government stands just as it did before, and seems no grounds for changing Article 6.pt.2."[85] It was precisely this kind of admission which the Kadets sought to exploit as evidence that the June 3rd contract had not changed the Administration's attitude toward the Duma as an

institution, and that the Duma majority must assert itself in support of obshchestvennost'. This vigorous questioning of the trust and confidence supposedly shared by both parties of the alliance put enormous pressure on the Octobrists who based their future work on the prospect of fruitful cooperation with the progressive forces of Government.

The Octobrists and the Budget Question: Between Cooperation and Opposition

To the Octobrists, the political formula of the June 3rd system meant the affirmation of obshchestvennost' and substantial Duma prerogatives within a context of cooperation with the Administration. The issues raised by the budget question, and in particular by the Kadet project to change the March 8 rules, revealed some of the difficulties involved in translating this formula into reality, and forced the Octobrists to seek out some line of action consistent with loyalty to the Duma and alliance with the Government. It would not be an easy task.

The Octobrists were responsive to administration denunciations of the Kadets, and were genuinely hostile to any initiatives coming from a party so closely associated with the activities of the first two Dumas. Guchkov labeled them a continuation of the "revolutionary struggle for power" detrimental to the economic and financial position of the country.[86] According to the perceptive Duma reporter Vasil'ev,

the Kadet initiative to change the budget rules was meeting the resistance of many Octobrists on the very grounds that it was the Kadets who had introduced it. Not only were their motives not to be trusted, but the failure of the minority party to consult with the Octobrists in advance was an affront to the latter's self-concieved importance.[87]

The similarity of the Government and Octobrist slogans condemning Kadet irresponsibility, revolutionism and lack of dedication to serious work should not be taken as evidence that the budget project struck no responsive cord within the Duma majority. On the contrary, the Octobrists were well aware of the shortcomings in the traditional budgetary process as outlined by the liberals, and were intent upon establishing a mechanism based on the principles of October 17. As Guchkov had said, the Octobrists opposed a "revolutionary" struggle for power, but in no way did this preclude efforts on their part to establish a system more appropriate for progressive work in overcoming backwardness. Indeed, simultaneous with attacks on the Kadets was the emergence of a position calling for changes in the budget rules to deepen society's role, and to assert the kinds of relationships they considered essential to the June 3rd contract. They certainly desired and expected, initially at least, to avoid the kinds of bitter political disputes and rivalries for power which had destroyed the first two Dumas, and which they condemned in the Kadet approach to statecraft. Discussions and controversies within constitutional limits among groups

where basic trust and confidence existed, however, could certainly be expected and would even be beneficial.

It became clear early in the third Duma's first session that some form of open polemics between the Government and Octobrists on the issue of budgetary prerogatives could not be avoided. An editorial appearing in Golos Moskvy in early November 1907 predicted a "heated dispute" between the Duma and financial bureaucracy over the widening of the former's budget rights, and declared that if it were to be a parliamentary body and not an advisory organ the Duma must be the "real master of the finances of the country." The third Duma, it continued, could not be accused of revolutionism, and for the Administration to reject widening of budget prerogatives would be a confession of its refusal to part with "intolerable vestiges of its past privileges." The editorial concluded with the optimistic prediction that the Government would not risk such a confession, and would accede to the Duma's demands.[88]

Rather than acquiesce to this version of desirable changes in the budget mechanism, the Government responded with considerable outrage. Rossiia claimed to be "struck by the Octobrist imitation of Kadet slogans," although at least Golos Moskvy had not based its call for rules revision on revolutionary means. But still, could the Octobrists guarantee that anti-Government forces had been banished forever from the legislative bodies?[89] Furthermore, the Government editorialist claimed that the Octobrists were being

dangerously inconsistent in calling for a widening of budget rights while rejecting the Kadets' siege tactics.[90]

The Administration's scolding did not deter its ally from expressing moderate but not yet specific support for the liberal project. G. Lerkhe, Octobrist Chairman of the Duma Finance Commission, rejected complete support, but still maintained that his party would favor some changes in the March 8 rules in the sense of "widening the powers of the Popular Assembly."[91] Responding to Government criticism of this position, Golos Moskvy itself expressed disapproval of the Finance Minister's tone and arguments against the project. Kokovtsev was forgetting that it was not only the opposition that favored widening of budgetary prerogatives, but the "leading Duma Party" as well, and that such a commitment on the part of the Union of October merited respect and consideration from the Government.[92]

Despite this raising of political voices over the issue of budget rights, both sides strove to keep the polemics at a level compatible with Government-Duma pledges of cooperation. In an interview with a Rech' correspondent, M. N. Alekseenko, the Octobrists' leading budget spokesman, refused to make specific comments on the preliminary discussion of the Kadet project, considering it "pointless to enter into polemics with the Minister of Finances at this stage of discussion."[93] The Octobrists were not about to make formal legislative change in the budget rules the focus of their activities in the Duma, considering all the critical

work of a substantive nature awaiting them. The Duma majority voted to have the Kadet project sent to the Budget Commission, where action was not taken until the fall of 1909. The resolutions of the Commission on the budget rules issue did not come before the full Duma until the spring of 1911, when much in Russian political life had already changed. In the meantime, the Octobrists set themselves the task of utilizing the existing legal and institutional relationships to help solve the problems of financial insolvency, military reconstruction and the liberation of productive forces in Russia. A question of major importance was whether the conflicts over power and prerogatives revealed by the Kadet project could be permanently suppressed, or whether they would surface during the working out of concrete problems in the area of the State budget. Further, what impact would the conflicts have on the stability of the political alliance of June 3rd, and more fundamentally, on the ultimate goals of overcoming Russia's backwardness?

Footnotes

[1]L. N. Iasnopol'skii, "Russkii gosudarstvennyi biudzhet 1908 g," Russkaia Mysl', No. 2 (1908), p. 114. The influential Kadet Andrei Shingarev expressed the same thought at a party conference. Tsentral'nyi Gosudarstvennyi Arkhiv Oktiabr'skoi Revoliutsii SSSR f. 523 op. 1 d. 7 l. 70 (hereafter TsGAOR).

[2]For a copy of the March 8 budget rules, see Gosudarstvennaia duma, Prilozheniia k stenograficheskim otchetam. Tretii sozyv, sessiia 3 (No. 448), pp. 77-83. An English translation of the Fundamental Laws of the Russian Empire is in H. F. Wright (ed.), Constitutions of States at War (Washington, D.C., 1919), pp 537-47.

[3]Although the above listed were most important, there were other areas of State expenditures excluded from Duma purview, including the State credit institutions, the "Institution of the Empress Mariia" (which received revenues from a monopoly on playing cards and a tax on mirrors, and spent for the upkeep of women's educational facilities and rest homes) and so-called "special credits" which were established in 1862 as independent departmental sources of revenue. See M. P. Fedorov (ed.), Doklady biudzhetnoi komissii vtoroi gosudarstvennoi dumy (St. Petersburg, 1907), pp. 8-13, and Gosudarstvennaia duma, Stenograficheskie Otchety. Vtoroi Sozyv (March 20, 1907), col. 812 (hereafter Duma, Otchety).

[4]Legislative procedure is discussed in S. L. Levitsky, "Legislative Initiative in the Russian Duma," American Slavic and East European Review, Vol. XV (1956), pp. 313-24.

[5]In the 1890s the Russian budget was divided into the "ordinary (obyknovennaia)" and "extraordinary (chrezvychainaia)" sections. Extraordinary expenditure included the construction and installation of new railways, expenditure on war or national disaster, the redemption of State loans before their due date, and the expropriation of various undertakings. Margaret Miller, The Economic Development of Russia 1905-1914, 2nd edition (London, 1967), p. 132. This unusual practice was subjected to sharp liberal criticism on the grounds that it facilitated Government manipulation and deception. See M. Fridman, "Finansovaia gomeopatriia," Vestnik Evropy, Vol. XII (1909), p. 743.

[6]Fedorov, Doklady, pp. 77-83.

[7]A detailed criticism of Article 17 is found in Pravo, No. 42 (1907), pp. 2701-03.

[8]For an explanation of this complex question, see L. N. Iasnopol'skii, "Russkii gosudarstvennyi biudzhet 1907 g," Russkaia Mysl', No. 8 (1907), pp. 171-73.

[9]See L. N. Iasnopol'skii, "Uslovnye kredity v nashem biudzhete," Ekonomist Rossii, No. 9 (1910), pp. 4-10.

[10]L. N. Iasnopol'skii, "K kharakteristike nashego biudzhetnogo prava," Pravo, No. 1 (1909), pp. 16-17.

[11]The State Controller had no competence over the following: (1) the Ministry of the Imperial Court and Allotment Department, (2) His Majesty's Private Chancelleries, (3) special funds of the Synod, (4) various secret State credit establishments and the Special Chancellery for Credit of the Ministry of Finances. A. Shingarev, "K voprosu o reorganizatsii gosudarstvennogo kontrolia," Novyi Ekonomist, No. 15 (1913), p. 2. For the best study of the history of State control organs in Russia, see A. Koniaev, Finansovyi kontrol' v dorevoliutsionnoi Rossii (Moscow, 1959).

[12]Duma, Otchety. Soz. III, ses. 1 (November 20, 1907), col. 670.

[13]Ibid., ses. 2 (February 16, 1909), col. 1660.

[14]Introduced into the third Duma on November 10, 1907, the Kadet project called for legislative affirmation of the classification, and for the complete elimination of Articles 6, 9, 10, and 17. Certain sources of criticism which were covered by the Fundamental Laws could not be removed by normal legislative procedure initiated by the Duma. For the Kadet project and an explanatory note, see Duma, Prilozheniia. Soz. III, ses. 1, cols. 31-36.

[15]Detailed accounts of early Imperial budgetary procedures and theory are in A. P. Pogrebinskii, Ocherki istorii finansov dorevoliutsionnoi Rossii (Moscow, 1954), Chs. 1-4 and Ivan Kh. Ozerov, Osnovy finansovoi nauki (Moscow, 1908), Bk. II, pp. 31-62.

[16]Pogrebinskii, Ocherki, pp. 19-20.

[17]For biographical details on Kokovtsev, see V. N. Kokovtsev, Out of My Past: The Memoirs of Count Kokovtsev

(Stanford, 1935), pp. vii-ix, and George E. Snow, "Vladimir Nikolaevich Kokovtsov: Case Study of an Imperial Russian Bureaucrat" (unpublished Ph.D. dissertation, Department of History, Indiana University, 1970), Ch. 1.

[18]See the series of documents in A. L. Sidorov (ed.), "Finansovoe polozhenie tsarskogo samoderzhaviia v period russko-iaponskoi voiny i pervoi russkoi revoliutsii," Istoricheskii Arkhiv, No. 2 (1955), pp. 121-49 and Vsepoddanneishii doklad ministra finansov o gosudarstvennoi rospisi na 1906 g (Tsarskoe Selo, 1905), pp. 12-13.

[19]Sidorov, Istoricheskii Arkhiv, No. 2 (1955), p. 140.

[20]Russkoe Gosudarstvo, April 12, 1906.

[21]Figures of the Ministry of Finances put the sum of war expenditures at 2.3 billion, not including the costs of the destroyed fleet. A. P. Pogrebinskii, Gosudarstvennye finansy tsarskoi Rossii v epokhu imperializma (Moscow, 1968), pp. 56-58, and A. L. Sidorov, Finansovoe polozhenie Rossii v gody pervoi mirovoi voiny (Moscow, 1960), pp. 20-21.

[22]For a detailed discusison of the loan negotiations, see B. V. Anan'ich, Rossiia i mezhdunarodnyi kapital 1897-1914 (Leningrad, 1970), pp. 95-177, and B. V. Anan'ich, "Finansovyi krizis tsarisma v 1905-1906 gg," Vnutrenniaia politika tsarizma (Leningrad, 1967), pp. 281-320.

[23]Anan'ich, Rossiia i mezhdunarodnyi kapital, pp. 96-98.

[24]See Stolypin's speech to the State Duma of March 6, 1907 in Predsedatel' soveta ministrov, pp. 40-42.

[25]The memorandum is in Tsentral'nyi Gosudarstvennyi Istoricheskii Arkhiv SSSR f.560 op. 26 d. 63 ll. 314-16 (hereafter TsGIA). Kokovtsev's comments are in TsGIA f. 1278 op. 2 d. 3213 l. 155.

[26]K. F. Shatsillo, "O disproportsii v razvitii vooruzhennykh sil Rossii nakanune pervoi mirovoi voiny (1906-1914)," Istoricheskie Zapiski, No. 83 (1969), p. 126. There will be more on military programs in Chapters V and VI.

[27]TsGIA f. 1278 op. 2 d. 3213 ll. 154-56, 162.

[28]Duma, Otchety. Soz. III, ses. 1 (November 27, 1907), cols. 606-607.

[29]See A. Polovtsev's diary account of sessions of Count Sol'skii's conference of September 21, 26 and October 3, 1905 in "Dnevnik A. A. Polovtseva," Krasnyi Arkhiv, No. 4 (1923), pp. 66, 69, 72.

[30]For attitudes toward Count Witte in high official circles, see "Dnevnik kn. Ekateriny Alekseevny Sviatopolk Mirskoi za 1904-1905 gg," Istoricheskie Zapiski, No. 77 (1965) pp. 259, 278.

[31]Summarized from Osobyi Zhurnal Soveta Ministrov, No. 44 (September 17, 1906), pp. 4-7 and TsGIA f. 560 op. 26 d. 26 ll. 60-62.

[32]TsGIA f. 560 op. 26 d. 26 l. 63.

[33]B. A. Romanov, (comp.), Russkie finansy i evropeiskaia birzha v 1904-1906 gg (Moscow-Leningrad, 1926), p. 336.

[34]Osobyi Zhurnal, No. 44 (September 17, 1906), p. 3.

[35]The journal of the conference is in TsGIA f. 560 op. 26 d. 26 ll. 74-82. Much of the excess was in the military departments and the railroad and liquor operations where creditors were expecting payments in fulfillment of contractual obligations.

[36]The Finance Minister managed to defeat other requests for additions to the temporary schedule, and would continue to press for compliance with Article 116 in the future. For example, Osobyi Zhurnal, No. 37 (January 19, 1907), pp. 2-4 and TsGIA f. 1276 op. 3 d. 275 ll. 3-4.

[37]Under the existing system, it was difficult to determine precisely how much was being spent on analytical categories such as education and local agriculture, since there was no established rule governing the formation of sub-headings. Expenditures for education might be listed under dozens of seemingly unrelated and irrelevant categories.

[38]TsGIA f. 1276 op. 2 d. 211 l. 5.

[39]TsGIA f. 560 op. 26 d. 26 ll. 64-65.

[40]TsGIA f. 1276 op. 3 d. 275 l. 3. See also Osobyi Zhurnal, No. 190 (June 22, 1907), and Ibid., No. 48 (February 26, 1908).

[41]TsGIA f. 560 op. 26 d. 26 l. 65. and Osobyi Zhurnal, No. 117 (March 31, 1907), pp. 1-2.

[42]Of particular interest was Kokovtsev's pursuit of an initiative by Shipov to consolidate the widely distributed secret credits classified under the heading "known to His Majesty" into a clearer category, with much being made public. Count Witte had instructed the departments to send the Ministry of Finances information on their secret credits, an order obeyed with varying degrees of enthusiasm. The information received is quite revealing as to the kinds of operations carried on underground by the Tsarist Government, unknown even to the leading managers of the budget. Some of the expenditures include: subsidies to foreign newspapers, 18,000 rubles; season tickets for the censors at the theatre, 3,000r; special secret bonuses, over 50,000r; censorship of telegrams, 6,000r; subsidies and gifts to numerous people and groups, totalling many tens of thousands of rubles, and many others. Kokovtsev continued to press for consolidation of this sort of information into the hands of the Minister of Finances and Council of Ministers. TsGIA f. 1276 op. 2 d. 211 ll. 26-48.

[43]Interior Minister Sviatopolk-Mirskii's wife records that Kokovtsev was terrified of allowing any new current to enter State life in December 1904. "Dnevnik," Istoricheskie Zapiski, No. 77 (1965), p. 263. On the other hand, his colleague A. Izvol'skii, the Foreign Minister, recalls that Kokovtsev was not basically opposed to the Duma, although his "ingrained bureaucratic habits" made it difficult for him to deal with parliamentary assemblies. Iswolsky [Izvol'skii], Recollections, p. 84. In retrospective evaluations of the period, two of Kokovtsev's Duma opponents, the Kadet Shingarev and the Octobrist Shidlovskii, describe the Minister of Finances as one of the most correct of all Tsarist officials in his relations with the Duma. Shingarev in Duma, Otchety. Soz. III, ses. 5 (March 13, 1912), col. 3671 and Sergei I. Shidlovskii, Vospominaniia (Berlin, 1923), Vol. I, p. 202.

[44]TsGIA f. 560 op. 43 d. 63 l. 25.

[45]Ibid., ll. 25-26.

[46]Ibid., ll. 52-54.

[47]Osobyi Zhurnal, No. 44 (September 17, 1906), pp. 1-2. These proposals were accepted by the Council of Ministers, Ibid., pp. 16-17.

[48]A number of additional sessions in the following months were devoted to establishing a procedure for budget compilation which would take into account the new legislative bodies. All involved pressure from the Minister of Finances for greater speed, more regularity and a tighter rein over the administrative agencies. For example, ibid., No. 48 (February 26, 1908), pp. 4-8.

[49]TsGIA f. 1276 op. 2 d. 211 l. 5.

[50]Ibid., op. 3 d. 257 l. 9 and Duma, Otchety. Soz. II, ses. 2 (March 20, 1907), cols. 835-836.

[51]TsGIA f. 1276 op. 3 d. 257 ll. 9-10 and Duma, Otchety. Soz. III, ses. 2 (January 12, 1908), cols. 1185-1187.

[52]TsGIA f. 1276 op. 3 d. 257 l. 11. Kokovtsev did concede that there should be a definite time period for submission to the legislative bodies of information that Article 17 had been used while they were in session.

[53]In 1901, a special conference was formed to compile new regulations on the State Control, including those governing inspection, but with the 1905-1906 restructuring of higher institutions, work came to a halt. Ibid., op. 9 d. 155 l. 103. The issue was taken up again in 1907 by State Controller Shvanebakh who criticized "routinism" and a "formalistic attitude toward work" within his department and urged changes in procedures and functions to remedy this condition. Ibid., op. 3 d. 209 ll. 18-19. The Council of Ministers in February 1907 ordered a new special conference to work out the means of implementing the proposals of the Controller in the field of inspection. Osobyi Zhurnal, No. 68 (February 13, 1907), pp. 6-7.

[54]TsGIA f. 560 op. 42 d. 63 ll. 27-28. As the question shifted from the theoretical to the real, Lobko continued to argue against inclusion of the State Controller in a united Council of Ministers, a position sharply criticized by Count Witte. See "Dnevnik," Krasnyi Arkhiv, No. 4 (1923), p. 76. Lobko's successor, D. A. Filosofov, seemed to be gaining somewhat in his argument for independence of the State Controller, but by April 1906 it was clear that the concept of an all-embracing Council of Ministers had triumphed in this case. Ibid., p. 82.

[55]TsGIA f. 560 op. 43 d. 63 ll. 54-55.

[56]TsGIA f. 1276 op. 3 d. 309 ll. 20-21.

[57]Ibid., ll. 21-22.

[58]Ibid., l. 23.

[59]Osobyi Zhurnal, No. 68 (February 13, 1907). This position was expressed quite openly before the State Duma; for example, Gosudarstvennaia duma, Doklady biudzhetnoi komissii. Tretii sozyv, sessiia 1 (March 5, 1908), cols. 22-24.

[60]Duma, Otchety. Soz. III, ses. 1 (January 12, 1908), cols. 1175-1189.

[61]Kokovtsev, Out of My Past, p. 131.

[62]Duma, Otchety. Soz. III, ses. 1 (January 12, 1908), col. 1188.

[63]Ibid. (January 15, 1908), col. 1272.

[64]Ibid., col. 1275.

[65]Ibid. (November 27, 1907), col. 63.

[66]Golos Moskvy, November 11, 1907.

[67]The Government was constantly pressing for the avoidance of "general debates." See, for example, an interview with Kokovtsev in ibid., Nov. 19, 1907.

[68]Rossiia, November 28, 1907.

[69]Duma, Otchety. Soz. III, ses. 1 (January 12, 1908), col. 1173.

[70]Rossiia, January 13, 1908.

[71]Ibid., November 23, 1907.

[72]Ibid., December 1, 1907.

[73]TsGAOR f. 523 op. 1 d. 6 l. 85.

[74]At a party congress the provincial delegate Romm declared that by "improving the creations of the Octobrists

[meaning concrete legislative endeavors] we are worsening our position in the country." Passing such laws now under existing conditions made genuine improvement of the system in the future all the more difficult. Ibid., l. 87. At a Kadet conference in 1909, the radical position was expressed in a resolution calling for the "popularization among the wide strata of the population of those means by which the Kadet Party is fighting for the interests of the population on the budget issue." Ibid., d. 9 l. 143.

[75]Duma, Otchety. Soz. II, ses. 2, col. 862.

[76]See V. A. Maklakov, Vtoraia gosudarstvennaia duma (Paris, n.d.), pp. 171-74 for Kadet polemics with the left on this issue. Even the Octobrists admitted that perhaps the Kadets were beginning to acquire a constructive attitude toward work. Golos Moskvy, March 25, 1907.

[77]A. Shingarev is a prime example of a dedicated liberal constantly reminding his impatient colleagues that daily and specific labors must be carried out by the party, and that budget work was highly "complex" and required "enormous preparation." TsGAOR f. 523 op. 1 d. 6 ll. 86-87, 90, and ibid., d. 8 ll. 106, 111.

[78]In 1907, Iasnopol'skii predicted that the Duma of June 3rd could not be expected to criticize the Government's budgetary powers in a serious way. Iasnopol'skii, Russkaia Mysl', No. 8 (1907), p. 163. Even after the project had encountered some initial Octobrist sympathy, Shingarev considered it "extremely possible" that they would yield to Government pressure. TsGAOR f. 523 op. 1 d. 7 l. 81.

[79]Ibid., d. 6 l. 90.

[80]Ibid., d. 7 ll. 81-84.

[81]Duma, Otchety. Soz. III, ses. 1 (January 15, 1908), col. 1254.

[82]Rech', January 14, 1908.

[83]Duma, Prilozheniia. Soz. III, ses. 1 (April 21, 1909), p. 41.

[84]Ibid., p. 95.

[85]Ibid., pp. 38-39.

[86]TsGAOR f. 555 op. 1 d. 511 l. 12. During the second Duma, the Octobrist organ Golos Moskvy had repeatedly inveighed against the left's use of the budget as a political weapon, and condemned the Kadets for tearing down, cutting and debunking without offering constructive alternatives. The Kadets, it was argued, sought nothing but power. Golos Moskvy, March 22, 1907.

[87]"Dumskaia khronika," Moskovskii Ezhenedel'nik, No. 5 (1908), p. 58.

[88]Golos Moskvy, November 8, 1907.

[89]Rossiia, November 13, 1907.

[90]Ibid., December 30, 1907.

[91]Duma, Otchety. Soz. III, ses. 1 (January 12, 1908), cols. 1189-1190. Despite this expression of a definite party position on this issue, it should be pointed out that some Octobrists did not agree with the decision of their party, and wanted no legislative action whatsoever to change the legal bases of the system. Novitskii actually expressed this view openly before the Duma. Ibid. (January 17, 1908), cols. 1298-1299.

[92]Golos Moskvy, January 18, 1908.

[93]Rech', January 20, 1908.

CHAPTER III

PROBLEMS OF TAX REFORM IN RUSSIA

The Tax Structure and the Genesis of Reform

As Russia entered the period of reconstruction after the events of 1904-1905, its leaders were faced with the difficult task of securing the funds needed to finance programs for overcoming economic, cultural and military backwardness. To a great extent, it was the country's very poverty and low level of development which accounted for its failure to generate adequate Treasury revenues. Kokovtsev realized the urgency of breaking out of the bind of inadequate funds; however, he was adamant that this must not be done in ways which violated the sound rules of budgetary stability. As we observed in Chapter II (and will examine in greater detail in later chapters), Kokovtsev's immediate and most urgent task as Finance Minister was to restrain departmental expenditures and establish uniformity and control in the budgetary process.

While using organizational means to contain the "expenditures" side of the budget, the officials of the Finance Ministry attempted to find additional solutions to the dilemma of inadequate Treasury surpluses. One of the major existing

sources of Government revenue, and a natural potential source of expanded receipts, was the diverse and complex system of taxation. In fact, out of the total normal 1906 revenues of 2,271.1 million rubles, the three categories of taxation accounted for 59.5 percent. Least important in terms of budget receipts were the direct taxes which totaled 162.2 million (7.1 percent), with the most significant including: the tax on commerce and industry (82.4 million) and the land, real estate and immovable property taxes (60.5 million). The second major category consisted of 494.2 million in indirect taxes (21.8 percent), which included: customs tariffs (241.3 million), excises on petroleum products (29.8 million), tobacco products (59.9 million), liquor in unmonopolized areas (39.4 million) and sugar (108.8 million).[1] The third major category, generally considered a form of indirect taxation rather than a Government royalty, was the liquor monopoly, whose receipts in 1906 were 697.5 million rubles, or 30.6 percent of the total revenues of the ordinary budget. As it was created in the 1890s, the monopoly was one of sale, providing for State distribution of vodka, spirits and other alcoholic products. Distillation was left entirely in private hands, but the rectification of alcohol and the preparation of vodka were carried out by contracts to State factories or to private ones under the supervision of Government officials.[2]

Russia's leading financial managers hoped that improvements and refinements in the tax structure might secure

desperately needed funds for the State Treasury. As we shall see below, some new (although modest) possibilities of extra revenues were opened up by proposed changes in the system of taxation. However, the very process for reforming the tax structure also highlighted the difficulties involved in modernizing Russia. The formulation of taxation policy involved the necessity of making delicate choices in strategies for economic development. How would the burdens of the Government's fiscal demands be distributed among the agricultural, commercial and industrial sectors of the national economy? At what point would the Government's need for revenues interfere with the vitality of industry, or with the productivity of agriculture? These economic choices were inseparable from the question of the State's relations with various socio-economic groups, such as the peasantry, private landowners and middle-class entrepreneurs. This in turn raised difficult political questions for a Government which was acutely sensitive about its sources of political support. How would rational economic and financial choices confronted by the Government be affected by political and social necessities? Finally, and of particular concern to this study, how would the issue of tax reform affect the relationship between the Government and the State Duma—the potential for both cooperation and confrontation?

As early as 1905, officials of the Finance Ministry were hard at work compiling a series of tax reforms and proposals

which they hoped would ease the burden on the Imperial budget. A broad exposition of tax policy and objectives was submitted to the Duma on April 17, 1907, the roots of which extended back to a memorandum by I. Shipov composed in January 1906. It was submitted to the Council of Ministers by V. N. Kokovtsev on May 16, 1906, but Prime Minister Goremykin successfully argued that consideration of the overall plan should be postponed while deliberations over specific measures were still underway.[3] After a considerable delay, caused by conflicts within the Government over the provisions of the taxes and the political implications of a broad message on finances, the statement was finally received by the second Duma.

One section of the message was devoted to an evaluation of the existing major sources of revenue from taxes, particularly indirect taxes and the liquor monopoly, both of which fell most heavily on the poor masses of Russia. It was argued both theoretically and with statistical evidence that these categories of taxation did not violate the most important criteria used to judge the equity and effectiveness of a tax structure; the avoidance of taxes on items of primary necessity (i.e., salt and bread) and the direct dependence of the size of the tax on the legitimate needs of the Treasury and the taxpaying power of the population.[4] The message stated that high rates of taxation were desirable in order to keep some limits on the consumption of unhealthful products, such as liquor and tobacco. As for the excise on

goods whose consumption was considered necessary and beneficial, the message maintained that the existing system was not overly burdensome on the poor. The scale of the tax on sugar, for example, was not extreme in comparison with Western rates.[5]

While defending the structure of indirect taxes in theoretical and comparative terms, the most telling argument was the importance of this category to the Treasury. Thus, in the case of sugar, it was argued that a reduction in the tax by a few kopeks would not be felt much by the consumer, but would have a dramatic effect on the budget's receipts. As for the consumption of petroleum products (such as kerosene), it was recognized that the lowering of the excise might be a worthwhile goal, but that "purely budgetary reasons" made this impossible.[6]

If the Government was not prepared to lower its revenues from indirect taxes, both on the grounds that the structure was not too repressive and that the budget could not afford reductions, the tone and content of the message made clear that the use of indirect taxes had reached a limit. No plans for substantial increases or additions were revealed by the message, and in those cases where new revenue would be sought, the chief target was to be the more prosperous classes. The projected taxes on cigarette paper and tubes, fancy tobaccos and electric lighting were aimed at the richer segments of the population. This was in line with the explicitly-stated conviction that for the time being, for

both political and economic reasons, the masses should be spared greater burdens. The abolition of the redemption payments from the peasantry on November 3, 1905 was one step in this direction, and was accomplished despite some harm to Treasury receipts.

The substantive programmatic section of the tax message was an elaboration of reforms and increases in the category of direct taxation, aimed more clearly at the propertied classes, since the Government judged that here was an area which could provide much needed additional revenues without violating the criteria of equity, justice and ability to pay.[7] The most important and innovative measure outlined in the April 17 message was the introduction of an income tax with a sufficiently low floor and high ceiling, and rates progressive enough to bring the burden of taxation to previously privileged groups (i.e., the "free professions"—doctors, lawyers, etc.). This form of taxation was discussed by Tsarist officials in the late 19th century, but conditions were not considered appropriate for serious action. With the financial and political crises accompanying the war and revolution, the need for dramatic innovation in the fiscal system became more pressing, and led once more to serious discussion of income taxation. In May 1905, a Special Conference under Deputy Finance Minister Kutler (the future Kadet) was instituted, bringing in the opinions of leading experts from Government and society. In the spring of 1906, a new interdepartmental conference including

specialists from nonofficial circles was held to work out details of preliminary projects drafted the preceding year.[8] The project was finally submitted to Goremykin for review by the Council of Ministers on May 18, 1906, but interministerial debate delayed Imperial affirmation until January 26, 1907. It was this project, along with a progressive inheritance tax, which was presented as the focus of the April 17 memorandum to the Duma.[9]

In light of the fiscal crisis which made the need for new revenues so pressing, the income tax was not to be a substitute for existing real property taxation, but would rather supplement a revised system of direct taxation. One proposal submitted to the Duma outlined a change in the median rates of the tax on land and forests which would, according to the Government, ease the burden on the wide masses of agriculturalists while providing more revenues from those able to pay. This was a further step in the trend initiated by the November 3, 1905 abolition of redemption payments. In line with this, the Ministry of the Interior promised to undertake a reform of the communal levies (mirskie sbory), which only the peasantry had to pay for local needs. Furthermore, following legislative enactment of the Government's proposed change in land tax rates, strong efforts would be made to complete the land evaluation begun June 8, 1893, thus bringing up to date a true assessment of taxpaying capacity. All of these proposals, it was maintained, were designed to place peasants and private landholders on "equal conditions in regard to tax obligations."[10]

The urban parallel to the tax on land was the project to reform taxes from immovable property in towns, boroughs and minor urban localities. It was approved by the Council of Ministers on June 6, 1906 with no serious debate, and was then submitted to the first Duma.[11] In the explanatory note attached to the project, great emphasis was placed on transforming the inequitable apportionment (raskladnaia) system into an assessed one (okladnaia).[12] The existing legislative distribution of tax allotments among provinces was based on approximate and unfairly sweeping evaluations of the worth of immovable property in the cities; this was made worse by an even more arbitrary apportionment among and within the urban centers themselves. Major problems arose from this system. If an individual taxpayer fought for and won a reduction in his own rates (due to reduced property value as a result of fire or some other cause), this would necessitate a revision of all other rates in the locality to keep the total apportionment sum constant. Furthermore, the existing system could not take into account the constantly increasing value of urban property throughout Russia, and this meant that the Treasury was losing potential sources of revenue. The assessment system was more flexible, since individuals were to be taxed directly by the central Government on a uniformly established valuation of real property.[13]

The effect of the reform would be to provide the Treasury with increased revenues based on higher property values, while simultaneously leveling those institutions which stood

between the Treasury and the individual citizen taxpayer. In a sense, the property tax reforms and income tax project were signs of a democratization of the tax structure—the establishment of a more centralized system of assessment reaching greater numbers of taxpayers more directly, and basing the burden on regular and uniform procedures. Similar premises were to govern the preparation of other projects not yet compiled by April 17, 1907, including reforms of the commercial and industrial taxes, the elimination of exemptions from the tax on interest from capital and others. It was further promised in the tax message that there would be a consideration of the possibility of distributing greater revenue shares to organs of local self-government (zemstvos and municipalities).[14] This issue was a very important one throughout the Duma period, related as it was to the competition between administrative and societal institutions for financial resources (and political power).

The overall total of new revenues anticipated by enactment of the Government's reforms of real taxes was 50-55 million rubles the first year of implementation. This sum was not very significant relative to the total long-term needs of the State for funds, although it was by no means an entirely irrelevant sum in the perception of a Finance Ministry seeking to cope with seemingly imminent fiscal disaster. The immediate receipt of funds was not the only consideration motivating Kokovtsev and his colleagues in the financial apparatus. Of greater long-term significance was the desire to

create a structure which would provide a more flexible and expanding tax base, from which increasing revenues could be expected over time as national wealth multiplied. Furthermore, the decision to push for tax reform and the specific shape proposed by the Finance Ministry had other goals not directly connected with increasing yearly budgetary receipts. The trend toward direct taxation conformed to the theoretical and Western models of tax and fiscal policy widely accepted in administrative circles. Equally important, the establishment of more modern and efficient forms of assessment and collection fit into the administrative goal of bureaucratic centralism—the creation of direct links between the Government and population without intervening social and institutional barriers. Finally, the expansion of direct taxation, although not accompanied by a reduction in indirect taxes, was designed to overcome some of the glaring inequities which had caused social instability and served as the basis for political criticism of the Tsarist regime.

Dilemmas of Tax Reform: Economic Development and Political Stability

The process of working out a reformed tax structure was not accomplished without considerable conflict within the Government itself, over both specific details and the basic premises of the reform. Discussion focused on two questions:

first, what impact would the proposed changes have on specific social classes and the prospects for Russia's economic development; and second, what would be the political implications of both the substance of the reforms and the process of their implementation in light of the post-1905 political conditions and institutional framework. The social and economic questions were raised largely in connection with the specific provisions of the proposed taxes on property and income, while the political implications involved a debate on the consequences of any changes in the tax structure, and any legislation requiring action by the new State Duma.

Throughout the process of composing the tax reforms, various Government departments made efforts to protect the interests of their constituencies from excessive Treasury demands. Of minor practical and financial significance, although important as an example of the kind of obstacle impeding reform, was the opposition of the Holy Synod to the taxation of income received by priests in the line of duty. It was maintained that their activities were a service to the State and a "sacrifice to God," and were not directed toward the acquisition of money for personal gain. The majority of the interdepartmental conference dealing with the income tax responded that the people of Russia knew very well that payment to the clergy was for the latter's use and not God's. Furthermore, in rejecting the Synod's request, the conference was affirming the principle that payment of taxes was an honor and not a sacrifice, and that

many people served the State and society without exemptions.[15]

Of far greater significance was the possible effect the new tax measures might have on the economic life of the country, through its burden on industrial, commercial and agricultural activities. Although private entrepreneurship had very weak roots in Russia, and was not fully developed by the beginning of the twentieth century, the industrial surge of the 1880s and 1890s did have the effect of stimulating more energetic industrial and commercial activity within society. The depression which struck in 1900 severely shook many newly created private enterprises when they were still weak and immature. At the same time, Russian agriculture remained backward, both in organization and productivity, when compared with Western Europe. There was an enormous need for innovation and investment in the countryside; yet the complex system of labor and property relations as well as a chronic shortage of capital inhibited progress.[16] The Tsarist Government had the delicate task of balancing the Treasury's need for funds earmarked for State sponsored and directed reform on the one hand, with the imperative of not overburdening potentially active and productive elements of the population on the other.

In the Government commissions which formulated the various tax proposals, the interests of the Treasury were guarded by representatives of the Ministry of Finances, while those of economic pressure groups were defended primarily by the Ministries of Agriculture, and Trade and Industry, with the

latter two more often than not in conflict with each other as well. The representatives from the Agriculture and Interior Departments, for example, argued that in view of the depressed state of agriculture in Russia, and the traumatic events of the last few years, certain categories of income received by landowners should be freed from income taxation. In particular, under the existing conditions of Russian agriculture, a debt to a landowner could not be guaranteed, and creditors should not have to include "debts due" in taxable income. Both the interdepartmental conference and the Council of Ministers disagreed, and maintained that all due receipts had to be included in the tax statements. A note composed by the Ministry of Trade and Industry forcefully argued the majority position, stating that the representatives of agriculture did not bother to apply their theory to industrial taxation which included debts due.[17] The Council of Ministers did attempt to assuage the fears of the landowners by agreeing to some minor deductions on taxable income, and by reminding them that the minimum floor for the tax was high enough to free those in genuinely serious economic distress from having to pay at all.[18] Overall, however, the trend toward greater burdens on profits from agricultural enterprises (in the form of an income tax) was affirmed by the Council, with the assurances of a high floor small comfort to those whose incomes were above it (1,000 rubles).

Of equal importance was the concern expressed by the Ministers of Trade and Industry (D. A. Filosofov, 1906-1908,

and V. I. Timiriazev, 1905 and 1909) that the revisions being considered in the tax on industry and commerce were burdensome, and that the income tax endangered economic prosperity. Filosofov was particularly opposed to the application of the income tax to joint stock companies, since this would amount to dual taxation of exactly the same revenue—from corporate profits and shareholder's personal income. He considered this especially unfair because joint stock companies had to bear still a third tax, the industrial (promyslovyi), at rates considerably higher than those paid by private or family businesses. Filosofov argued that the dual taxation would combine with current economic stagnation and social unrest as impediments to the development of much needed private industry in Russia, since growth was dependent on the attraction of foreign capital which might be deterred by additional taxation. His solution was to exempt joint stock companies from income taxation, and further, to lower the industrial taxes themselves. These latter had been temporarily raised above normal rates on January 2, 1906 to meet the fiscal crisis.[19] A detailed memorandum composed within Filosofov's Ministry dealt with this question, pointing to the experience of Western theory and practice and to the demands of justice as further evidence against application of the income tax and for reduction of rates. A particularly telling argument was that the long-range interests of the Treasury would not be served by a measure which caused a "disturbance in economic relations and which made the

development of industry and commerce difficult."[20] In other words, the acquisition of revenue by the Treasury was not immediately compatible with the long-range stimulation of economic growth. The latter had to be given a higher priority, partly because of ultimate benefits to the budget balances themselves.

The overwhelming majority of the Council of Ministers resolved that joint stock companies were unique organizations exerting economic power greater than the sum of their individual shareholders, and thus should be taxed as separate persons. Filosofov's suggestion to exempt them would cost the Treasury ten million rubles in anticipated revenues. The Council did emphasize that the promotion of industry was a task which required serious attention, and that efforts should be made to avoid too great a burden. It was agreed, therefore, that the new income tax would not be implemented while the supplementary industrial tax of January 2, 1906 was in effect, and that the latter would lose force by January 1, 1908. Going further, the Ministry of Finances was instructed to review the possibility of actually lowering industrial taxation below the rates originally established by the law of June 8, 1898.[21]

The contradictions between the needs of the Treasury and the principles of equity as defined by the Finance Ministry, and the imperative of promoting economic life as articulated by the spokesmen for trade and industry, were also expressed during the formulation of new industrial-commercial taxation.

Proposed changes in this area of the tax system were discussed during the debate over the income tax and listed in the April 17 message. A special conference had been called as early as November 1903 by the Finance Ministry to discuss shortcomings of the 1898 legislation, but the events of 1905 caused a suspension of its activities. During the summer of 1907, a new conference, under Deputy Finance Minister N. N. Pokrovskii, proposed changes in the system which were submitted to the Council of Ministers on February 18, 1908. Despite Kokovtsev's hope that a project could be submitted to the Duma by the fall of 1908, the Council decided that the recommendations could not be approved without further consideration by representatives of the nation's industry and commerce.[22]

It was over a year before a new draft of the project was presented to the Council of Ministers for the resolution of conflicts and approval for submission to the legislative institutions. Timiriazev's major criticism was of the continuation of the raised rates of January 2, 1906. He also objected to certain changes in the application and sources of taxation which he considered particularly burdensome at a time of economic stagnation; the transition from a tax on licenses authorizing business operations to a direct assessment on profits, and the increased right of local self-government to tax commerce and industry. Kokovtsev was most emphatic that in view of the delay in the passage of the income tax and the dire conditions of the Treasury, no

consideration should be given to the suggestion of returning to pre-January 2, 1906 levels. Nor was it possible to change the projected measure in ways which might lower receipts to the State.[23] The Council of Ministers once again reserved final judgment and ordered an upper level conference under State Controller Kharitonov to resolve all differences along lines compatible with Treasury stability and the promotion of economic life.[24] It is clear that the opinion of the Finance Ministry was upheld in the conference, since Timiriazev was made to accept the new methods of assessment. As a minor concession to Timiriazev, a slight delay in execution until January 1, 1913 at the latest would be tolerated, during which time the January 2 rates were to remain in effect.[25] In the face of steady opposition from the Ministry of Trade and Industry, Kokovtsev had forced through revisions of the legal statutes (on direct assessments and changes in local taxation) while preserving the emergency rates until implementation of the new legislation. The opposition had, however, raised serious questions about the long-term relation between the health of the Treasury and the state of the economy, and more immediately had managed to help delay for several years a project which it considered harmful and burdensome.

Conflicts over the financial and economic impact of the tax reforms were matched by a grave concern over the political implications of specific measures (especially the income tax) and the reception which the projects would receive

in society and the State Duma. As we have noted in Chapter II, the staunchest advocate of the reforms, V. N. Kokovtsev, attempted to utilize and manipulate the newly created State institutions in his pursuit of solutions to fiscal and organizational problems. On many occasions Kokovtsev upheld and supported legislative budget rights as part of his own efforts to interpret the March 8 rules in a way conducive to strengthening his control over the budgetary process. The State Duma was also conceived as a positive factor in the cutting of non-essential and wasteful expenditures.[26]

After 1905, the Duma's lawful role of revenue collector became a central feature of Kokovtsev's program of financial reconstruction. Throughout 1905-06 he was constantly pressing for quick acceptance of the tax proposals by the Government, so as to permit prompt introduction to the legislative institutions. In a letter to Stolypin, Kokovtsev maintained that in parliamentary states the national representatives must join with the Government in finding the funds necessary for urgent State needs. Disappointed with the inactivity of the first Duma, he was hopeful that its successor would consider his proposed tax program, especially the income tax, and do everything possible to find other sources of revenue. In keeping with his tactic of using Duma prerogatives as a lever for fiscal austerity, Kokovtsev also suggested that new Treasury appropriations be delayed until the legislative institutions had time to act on the problem of revenue collection.[27]

In their public statements before the Duma, both Kokovtsev and stolypin exhorted the representatives of the people to engage in fruitful activities designed to bring relief to the Treasury and potential for reform. Thus, at an early session of the third Duma, the Finance Minister told the gathered deputies that through diligent legislative deliberation and action they would

> ...unostentatiously, but with a sure hand bring to the Government those abundant means without which it will not be in a position to fulfill those great historical tasks in the period of our internal reconstruction.[28]

Prime Minister Stolypin, whose speeches to the second and third Dumas repeatedly dramatized the far reaching reforms needed in agriculture, education, local life and military organization, posed the challenge in terms equally clear. If the representatives of the people want to encourage the implementation of a broad Government program,

> ...funds are needed, which will be requested from you—sent here by the country to calm and strengthen her.... On the existence of funds depends, obviously, the fulfillment of all the reforms and the resolution of the question of their implementation in the country.[29]

These exhortations bring to mind the traditional image of the calling of estates together in time of crisis to raise the funds necessary for internal reform and military security. However, while the active support of the State Duma was certainly a desirable goal which could be used to the Government's advantage in the mobilization of revenues, the political dangers inherent in the tax proposals were not

overlooked by the Administration. Fears were raised concerning the reaction of society and the Duma both to the specific features of the tax reforms (primarily the income tax and the preservation of indirect taxation) and to the process of approving the legislation itself. There were sharp differences of opinion and emphasis over the nature of the dangers and how to deal with them.

One of the major opponents of the income tax within the Government was State Controller Shvanebakh, who recognized the need for more revenues but feared the implications of this form of taxation for Russia. His objections were based on Russia's cultural backwardness and her current mood of political extremism. Shvanebakh argued that the income tax was not feasible because the population was not "intellectually capable" of fulfilling two of the basic features of the tax: self-evaluation of personal income by the taxpayer and the checking of income statements by a council (prisutstvie) made up primarily of locally elected members. Although the capitals and large cities had people capable of meeting these duties, the large mass of peasants, workers and semi-intelligentsiia certainly could not follow the dictates of the law.[30]

Of greater concern to Shvanebakh than the technical problems caused by cultural backwardness was the threat posed by the income tax to political and social stability. He viewed the Government's acceptance of the notion of such

taxation as dangerous appeasement to revolutionism. Shvanebakh was joined in this view by Minister of Agriculture B. A. Vasil'chikov who labeled the income tax a capitulation to leftist parties which would have shocking social and political consequences.[31] The State Controller was particularly apprehensive about the reliability of the locally elected tax councils, since in those times of trouble and revolution there were continual efforts to introduce "anti-state strivings;" the councils could easily become arenas of class antagonism and the persecution of "people of means (liudi imushchikh)." Shvanebakh's distrust extended to the State Duma as well; he believed it would use the issue of the income tax to raise political passions. Legislative consideration of a project as sensitive as this one would not lead to productive work, but rather, considering the mood and composition of the State Duma, to nothing but endless debate and extremist proposals.[32]

The State Controller was not disputing the need for more revenues, nor the fact that the burden must fall more heavily on Russia's prosperous classes. He actually proposed as an alternative to the income tax a number of new property taxes which could help the Treasury without political risk.[33] At the root of Shvanevakh's analysis was the belief that a hostile population would seize the apparatus created to administer the income tax as a weapon against the wealthy, and would turn it into a symbol of social upheaval. Both he and Vasil'chikov saw revolution at every turn, and although fearing the wrath of an angry and unappeased Russia, were more

frightened by any proposals which might serve as a vehicle for an assault on the upper classes and as evidence of Government weakness as well.

A similar fear about turning the need for new revenues into a cause which might excite political passions was expressed by I. P. Shipov during a preliminary evaluation of the April 17 tax message (in February 1907). He was less concerned with the specific details of the measures outlined than with the wisdom of confronting the Duma scheduled to meet in the spring with such a broad picture of current financial conditions. The message would undoubtably stimulate Duma discussion of the "entire system of taxation and the budget," since the various political parties would take advantage of a major exposition by the Finance Minister to advance their own systems. Aside from the wisdom of making general policy statements to the Duma, there were objections over the content of certain sections which were "imprecise" and therefore "dangerous." In particular, Shipov was disturbed by such expressions in the preliminary draft as "time will not stand still" which were used to convey a sense of urgency to encourage swift legislative approval of the tax program, but which instead might release a torrent of criticism and demand for radical change. In connection with this, the preliminary project was lacking a convincing defense of former budgets and existing patterns of direct and indirect taxation. The Government should not expose itself

unduly to potentially dangerous criticism by voluntarily revealing its own weaknesses.[34]

Shipov and Shvanebakh had in common a fear that the issue of serious tax reform and the specific proposals themselves might be used to further the interests of those hostile to the existing social and political structure. It was an anxiety related to the violent and traumatic events of the last several months, which saw war, revolution and reform, and which left partisans of the old regime confused and frightened. Although they could not articulate clearly the specific nature of the dangers threatening them, and were imprecise in their estimates of how the income tax would be used by a hostile population, their fears made them strike out against anything which might symbolize concessions to revolution.

Others within the Government also perceived political dangers in a discussion of taxes and reforms, but had alternative solutions for dealing with them. N. N. Pokrovskii, presented with the same preliminary draft received by Shipov in Feburary 1907, had almost the opposite reaction to the problem of dealing with public opinion. He had no criticism of the principle of broad based policy statements, but rather objected that the proposed message did not go far enough in meeting the nation's mood. Pokrovskii felt that the draft had a "fundamental omission;" without denying the unsatisfactory nature of indirect taxation, the message gave no proposals on how to "ease the burden on the masses."

Attention was given to bringing new demands on the prosperous classes, but there was little on the burden felt by the poor—a theme which would draw "strong attacks" from the Duma. The desirability of the status quo in regard to indirect taxes should not be stressed, since this would be received poorly by society. Instead, continued Pokrovskii, a persuasive argument explaining the inevitability (and not desirability) of existing indirect taxes should be included in the message. No discussion would be better than a complacent description of the current system.[35]

Another response favoring concessions to public opinion was voiced by the Minister of Trade and Industry, D. A. Filosofov. However, his perceptions of the problems raised by tax reform as well as potential solutions were quite different from those held by his colleagues in the Government. Unlike Pokrovskii, for example, Filosofov's major concern was not with the mollification of those in society hostile to the existing tax structure. Rather he considered it vitally important that the Government seek to mobilize the support of that part of society whose economic well-being would be adversely affected by an income tax. Similarly, he did not share Shvanebakh's perception that the income tax was nothing more than a concession to revolution which would only serve to publicize the Government's weakness. In sharp contrast, Filosofov recognized that the income tax project was actually a mild fiscal revolution from above, imposed

upon privilged society by a Government greatly in need of new revenues. Thus, Filosofov did not argue that introduction of the income tax would open the floodgates of extremism and social upheaval; instead he emphasized that prosperous non-revolutionary elements of society would interpret the tax as an unjust administrative assault on their rights. The alienation that this would cause among normally reliable groups in society could not be tolerated at a time when political stability was already threatened by mass discontent.

Filosofov's solution was to suggest that it would be a "great mistake" to apply weighty "fiscal significance" to the new income tax right away. It would be better to lower the minimum and reduce the progressive scales, with the aim of exempting only the very poor and easing the anticipated burden on the more prosperous. The rationale behind this was the necessity of enlisting the support and cooperation of local society in the area of financial reform, since taxation needed the acquiescence and participation of society if it was to have real fiscal significance. Of course, the "inquisitional activities of the Treasury can be intensified," but this would only lead inevitably to the "embitterment and irritation of the more well-to-do segments of society." The more progressive the scale of the income tax, the more obvious its fiscal character, and the "more stubborn the struggle between the Treasury and the taxpayer."[36]

In order to win public acceptance of the income tax measure, it was necessary to give the organs of local self-

government a stake in the outcome of the reform, and a role in the process of collecting tax revenues. The project as outlined by the Ministry of Finances, complained Filosofov, rejected for the present any judgment on the sharing of revenues gained by the new tax among central and local institutions. The transfer of some revenues to zemstvos and municipalities was essential in order to give the reform "broad national and not just narrow fiscal significance." Society would be attracted to the project, and committed to a more accurate and complete implementation. This was both politically desirable and financially beneficial.

In essence, the position of the Minister of Trade and Industry was that instead of fearing a population dominated entirely by revolutionaries and oppositionism, it was expedient to build bridges to the more prosperous, cultured and inherently reliable forces of Russia. The Government must lift the state of siege which the Treasury had conducted on the politically frustrated but basically socially conservative elements of the middle and upper classes. The political implications of this position were of importance to the future of the Russian State system. He was arguing in effect that the Tsarist Government could no longer rely on administrative means to conduct fiscal policy and modernize the country; that "progressive forces" in society, particularly the growing middle classes, had to be committed and mobilized, and that this could only be done if these forces received a real role in the process of modernization and Government

reform. Furthermore, the consequences of failure to consider the interests of the progressive forces would be the continued alienation of political support for the State at a time when the pressures on it were particularly intense. In order to combat the revolutionism of the intractable left and move the country forward financially and economically, the Government must open itself up to the more "cultured" and "educated" elements of society with which it has too long feuded, and which it had too long ignored.[37]

The final shape of the income tax project and the April 17 tax message did take into account the political considerations raised by the various members of the Administration, although the dominant force in determining the nature of the legislation remained Kokovtsev's Finance Ministry.[38] As the chief proponent of the income tax, Kokovtsev could not accept Shvanebakh's proposal that it be shelved in favor of additional property taxes and other levies. Kokovtsev maintained that although the low cultural level of Russia might be a problem in some cases, the vast majority of income taxpayers would be people of means, from a strata of the population sufficiently educated to comply. True, the low level of culture (meaning in this context not only literacy but consciousness of the "duties" of the citizen) might lead to concealment, but this occurred in advanced Germany as well.[39] The predominance of members of the prosperous classes was also used by Kokovtsev to repudiate Shvanebakh's fear that class warfare might break out in the local tax collecting councils.

Kokovtsev did not deny the political element involved in the introduction of the income tax, although his interpretation was closer to that of his associate Pokrovskii. Not only were Shvanebakh's alternatives inadequate in the sense of not providing enough revenue to the Treasury; they also would fail to have the desired political impact which an income tax had. Kokovtsev considered it necessary to persuade certain oppositionist elements of public opinion that "the Government is seeking to improve our much criticized tax system, introducing into it principles recommended by financial science and practice."[40]

Yet concessions to the politically vocal groups in society who demanded an income tax as evidence of reform were not to be taken to the extreme of alienating those most affected by the tax itself, or of allowing the tax to set precedents for social revolution. In its final deliberations, the Council of Ministers echoed Filosofov, and held that the minimum should not be too high, since this would amount to the taxation of the prosperous alone, and might be "exceptionally risky" in the "political sense." The Council also borrowed from Shvanebakh in arguing that the principle of completely removing taxes from the poor and transferring the entire burden to the wealthy should not be established at a time when the electoral law was bringing many nonpropertied elements into the Duma.[41]

The Council was cognizant of Filosofov's concern about alienating the more well-to-do forces of local society, and

aware that representatives of zemstvos and municipalities would favor sharing of income tax revenues. It affirmed that "one of the negative characteristics of our financial policy" is the tendency to use the tax paying powers of the population "predominantly for the financial needs of the State." The organs of local self-government had been left without adequate means to satisfy local needs—an especially significant dilemma in view of the Government's intention to widen the activities of the zemstvos and municipalities. However, during the current times of fiscal crisis for the State, it was deemed inexpedient to consider a revenue-sharing plan, although some shifting of tax bases might be possible, and would be the subject of future study.[42] Furthermore, the dispatch of financial power to the zemstvos, even when the latter were dominated by opponents of social revolution, involved political risks to a Government concerned with the consolidation of administrative power.

As for the political considerations involved in the April 17 message, the Council of Ministers also took into account the comments of officials like Pokrovskii and Shipov. Although preserving its final form as a broad policy statement (favored by Pokrovskii), Shipov's desire for greater Government self-justification seems to have prevailed. This is evident in the final draft's greater emphasis on defending traditional administrative behavior, and in the charts displaying some of the positive characteristics of the budgets since 1881. The April message also differed

from the February draft in its elimination or toning down of such potentially explosive phrases as "critical period of intensified growth" or "fundamental change in our State structure...exposing a series of demands...requiring urgent satisfaction."[43] These revisions were designed to depoliticize the question of tax reform—to make it less of an issue which could be exploited in the Duma by using less urgent language in describing the financial situation. Pokrovskii's desire to be more conciliatory and open about the problems faced by Russia was reflected in the inclusion in the April draft of a longer section explaining the necessity of keeping indirect taxes, although the tone was undoubtably more self-satisfied than he had wished.[44] It was important to Pokrovskii that the Government not expose itself to criticism on grounds of lack of awareness of the difficulties faced by Russia and the hardships suffered by her population, while for Shipov the major focus had been avoiding reference to any areas where the Government might be criticized at all.

The State Duma and Tax Reform

The apprehensions felt within the Government over the implications of the tax proposals were justified, considering the degree to which the regime's tax structure had become a highly politicized issue in the first two Dumas. The revolutionary parties naturally accused the ruling classes of exploiting the impoverished masses of Russia with heavy

indirect taxes, while keeping their own wealth immune from taxation. The Kadets, consistent with their emphasis on social welfare and their early efforts to act as champions of the masses repeatedly pointed to inequities in the existing system; the excessive proportion of taxes paid by the poor as opposed to the rich, and the signs that the population had reached the breaking point in its taxpaying capacity.[45] The Kadet party program demanded a general lowering of indirect taxation and the abolition of excises on objects of widespread consumption, as well as the introduction of an income and progressive inheritance tax and expanded property taxes.[46] The general atmosphere of the Duma in 1906-07, dominated by the Kadets and more leftist parties openly demanding social revolution, had been a stimulus for reluctance by some officials to raise the issue of reform at all.

The June 3rd electoral law clearly removed the threat of a Duma which might seek to overturn the existing socio-economic structure by transferring the entire financial burden of the State from the poor masses to the prosperous few. Even in the second Duma the Kadets had made some efforts to retreat from association with the idea of too precipitate a change in the financial system, and had called the idea of completely replacing indirect taxes by an income tax "an empty dream." It was admitted that the existing system had firm roots in the country, and in the current political situation indirect taxes could not be dispensed with.[47]

This acceptance of the reality of limits on change was reaffirmed by Kadet spokesmen during the early meetings of the third Duma, with Miliukov in particular complaining that the Government was setting up a straw man in its accusations of fiscal irresponsibility.[48]

The dominant Octobrist Party had also been outspoken about the need for tax reform from the very beginning of its existence, although certainly it could never be accused of revolutionism in its financial and economic program. The Octobrists were more consistent than the Kadets in rejecting the possibility of drastically lessening the tax burden on the poor, although they did set as a future goal the gradual lowering of indirect taxation on objects of primary necessity.[49] In conjunction with this goal, and as a means of raising necessary revenues, it would be essential to bring new burdens to the wealthy through direct taxation, especially the introduction of the income tax.[50]

Considering the common consensus that the budget needed increased revenues, the general acceptance of the income tax in principle (by all parties left to right), and the willingness of the nonrevolutionary parties to accept, however reluctantly, the continuation of the system of indirect taxation, it would seem that the Government's tax reforms should have been favorably received by the third Duma. The initial response did indeed give some expectations that the tax package would be reviewed and acted upon quickly. The influential Octobrist A. Eropkin expressed the belief that

the Government appeared interested in introducing more equitable taxation, and thus urged rapid passage of the projects.[51] Even the Kadet N. Kutler, while critical of many details of the direct tax proposals, did agree that any income and progressive inheritance tax measures had to be considered an improvement "answering the demands of tax justice...."[52] A positive sign for the prospects of the tax legislation was the importance attached to it by the Chairman of the Duma Finance Commission G. G. Lerkhe. He stated that reforms were a high priority for his Commission, and predicted that the Duma would not be stubborn since the Treasury needed money urgently. He added, however, that it was not yet possible to tell whether all the Finance Minister's proposals would be accepted, and in precisely what form.[53] Additional evidence of an optimistic future for the reforms came in the fall of 1908, when a poll of Duma party leaders revealed substantial approval of a speedy review of the income tax project.[54]

Despite the high priority attached to tax reform by the Government, and the Duma's apparent receptivity in 1907-1908, a number of factors combined to delay passage of most of the measures mentioned in the April 17, 1907 message. In fact, only two were passed into law before the outbreak of World War I; excises on cigarette paper and tubes, and reforms of taxation on immovable property in cities and suburbs. The others remained pigeon-holed at various stages of commission and Duma review, although the income tax was enacted

during the wartime crisis of 1916. To explain the failure to pass on reforms which seemed so urgent when they were introduced, a number of factors must be considered, including the socio-economic makeup of the Duma, the process of legislative decision-making, relations between the Government and society and the limitations of tax reform recognized from the very beginning.

The most obvious reason for nonpassage of the income tax (and other related direct tax reforms) was that despite the lip service given to the justice and necessity of the measures, the prosperous classes which dominated the third Duma were not prepared to make personal sacrifices. Kokovtsev himself was certainly aware of the difficulties involved in winning legislative (and public) acceptance of income taxation. He pointed to the great struggle in England before Parliament allowed its introduction, and to the continuing debate in France.[55] There was a good deal of mutual recrimination as to the cause for delay of passage, with Rightest-oriented deputies blaming big trade and industrial circles and "private interests," and the Kadets condemning the whole Duma, particularly the dominant Octobrists.[56] In a detailed paper presented to the "nonpartisan" Society for Financial Reform, N. N. Kutler pursued this theme in depth, and described the obstructionist tactics used by members of the Duma Finance Commission during its deliberations. He maintained that the major opponents of the Government's proposal were the landholders who wanted direct

property taxes dispatched to zemstvo control (which they dominated) as part of the reform, and the commercial elements which opposed application of the tax to joint stock companies.[57]

These were the same points which had caused conflict and delay in Government conferences and the Council of Ministers. There is no indication of any repudiation of the income tax in principle, but unlike the Government, the Duma could not easily mobilize a working majority which would support a particular draft of the project. Thus, according to Kutler's account of the Finance Commission's proceedings, there was substantial fragmentation on specific issues such as appropriate floor and ceiling, rates, exemptions, economic impact of the tax and the nature of the collection apparatus. Many of these questions had been discussed by the Council of Ministers, but conflicts had either been reconciled or ignored by Kokovtsev in his pursuit of more revenues and his own conception of "equity." They were more difficult to resolve in the fragmented Duma where one group could not easily impose its views on the others.

Other factors were working to prevent rapid reconciliation of opposing views on specific features of the project. On some occasions the promotion of a particular financial theory or model was a genuine source of conflict. Considering the influence of academicians in Duma circles (Kutler, Fridman, Miliukov, Alekseenko, Migulin, Ozerov to name a few), the sincere quest for a "more perfect" structure should

not be ignored as a factor impeding legislative progress. It is worth mentioning in this regard that attitudes toward the various features of the income tax cut across party lines, as evidenced by the debate which followed Kutler's report to the Society for Financial Reform. Many of Russia's leading moderate-liberal specialists participated, and revealed wide ranging differences of opinion, the most interesting being those which separated Kutler, who favored the tax despite inadequacies in the Government's draft, from M. Fridman, who could not accept the measure.[58] When it came to agreeing on the exact shape and provisions of a project which both approved of in principle, the sort of accord necessary for legislative passage, even these two ideologically similar representatives of the same political fraction were at odds. This problem of conflict resolution and difficulty of compromising on a highly complex and sensitive reform measure was naturally magnified when the arena shifted from a small society of likeminded men to a wider forum in the Finance Commission. Although the measure finally passed that body (in considerably altered form), it still had even greater obstacles in the full Duma sessions ahead.

It is possible that all these factors would have been overcome, and an income tax project passed eventually, if the conditions which prompted the urgent introduction of the reforms had persisted during the following period. At the time of the compilation of the tax measures, even the relatively small sum of 50 million rubles projected by Kokovtsev

could be viewed as vital for budget balancing and fiscal stability, goals widely supported in the Duma. Series of developments, including changes in the patterns of expenditures, reorganization of State economic enterprises, a resurgence of industrial and commercial activity, and record harvests in 1909 and 1910, made the contribution of new tax revenues to budget stability even less consequential than it appeared in 1907. Budget Commission Chairman Alekseenko, in summing up the course of the legislation through the Duma, asserted that the tax reforms were left to languish partly because after 1910 the immediate urgency of deficits disappeared.[59] Once the emergency need of the Treasury for the several million anticipated from tax reform no longer seemed so desperate, the reluctance felt by economic pressure groups and academic purists became paramount.

It was an emergency situation and obligations to appeal to social justice which made many in the Duma vocal partisans of tax reform early in the period. Underlying the apparent enthusiasm, however, was a lack of commitment to tax reform as a solution to the long-term dilemmas of resource mobilization and allocation. It was certainly clear from the very beginning that Russia's backwardness and poverty precluded any great increases in revenues for the future from any tax structure whatsoever. Moreover, there was actually an undercurrent of Duma and public opinion which resented the collection of revenues for a Government administration which did not always seem capable of using them well.[60]

Already in 1907 a number of commentators noted that the problem of revenues could not be separated from the decisions over how to spend and administer them rationally and productively. The liberal P. Genzel' wrote that new sources of revenue were worthless if not accompanied by increased expenditures for the good of the masses; by a sharp change in the social distribution of State expenditures.[61] This position was constantly repeated by others closely associated with the Kadets in particular, who generally argued that the health of the Treasury was of no consequence if it was not then transmitted to the population through greater cultural and social expenditure.[62] The Octobrists also, while giving early approval to the direct tax proposals both as temporary financial relief and a more equitable structure in principle, joined in demanding that there be an increase in productive expenditures as well. Funds designated for agriculture, education, health and other such ends were not only necessary to national welfare, but would in turn stimulate the development of culture and the productivity of labor. Increased tax burdens must not be wasted on unproductive endeavors.[63]

It was recognized quite early that means other than tax reform would have to be found which could solve the dilemma of budget balances over the short and long term while simultaneously involving the Duma and society in the administration of State finances. In March 1908, G. G. Lerkhe informed Kokovtsev that taxes themselves could not secure the influx

of revenues needed to cover future expenditures, and that therefore a "significant role" must be played by the other major category of revenues: State properties and economic operations of the Treasury.[64] A few days later the liberal deputy Zhukovskii reaffirmed the doubts about the adequacy of increased taxes, and pointed to the desirability of reforms in State enterprises "and perhaps the entire State structure." Shingarev put it clearly when he argued that the most fruitful source of revenues was from the proper development of Russia's immense wealth of natural and man-made resources. In all areas of State economy (gosudarstvennoe khoziaistvo)—the exploitation of forests and mineral reserves and especially the functioning of the Government-owned railroad net—a productive, efficient and rational administration (upravlenie) must be initiated, and must lead the way in overcoming Russia's many problems.[65] The pursuit of such an administration became the chief concern of the Duma, especially in the early years of its existence, and was destined to have a far greater financial and political impact on Russia than the Government's pursuit of new taxes.

Footnotes

[1]Proposed Budget of the Empire For 1908 (St Petersburg, 1907), p. 67. The revenue from the excise on sugar was tied closely to the controversial sugar "normirovka" which was established in 1895. Its purpose was to protect the interests of local producers in the southwest provinces, to encourage the export of sugar and to give the Ministry of Finances some means of controlling the amount of sugar allowed on the internal market (thus regulating prices as well). The Government, through the Ministry of Finances, would determine annually the amount of sugar which producers could offer for internal sale, the obligatory supply of sugar reserves which always had to be on hand in the factories and the maximum (predel'nyi) price, the exceeding of which would warrant mandatory increases of supply in order to lower prices back to established norms. Any surplus above the contingent and reserve could be sold internally at higher tax scales, or sold abroad without any excise. See M. Ia. Gefter, "Iz istorii monopolisticheskogo kapitalizma v Rossii," Istoricheskie Zapiski, No. 38 (1951), pp. 119-120.

[2]For details on the workings of the monopoly, and the collection of excise taxes in non-monopoly areas see Alexander Michelson, Russian Public Finance During the War (New Haven, 1928), pp. 32-42. The Government had vacillated in its approach to revenues from liquor and alcoholic products for centuries, with many changes occurring in the nineteenth century in particular. Until 1819 the Government sold control over vodka production and merchandising to local bidders (otkupshchiki) in the so-called "farming out system." This had led to significant abuses, and cases where the Government lost all control over the process. The local administrations frequently became tied to local merchants in circles of bribery and embezzlement. After 1819 vodka was made a State monopoly, both in manufacturing and sales. This system lasted until 1827, when Finance Minister Kankrin managed to win a return to the farming out system, on the grounds that now all corruption was being blamed on the central administration (quite justly) and that revenue increases could not compensate for this blight on the Government. Walter Pintner, Russian Economic Policy Under Nicholas I (Ithica, N.Y., 1967), pp. 76-80. The issue of maintaining the "farming out system" or establishing some alternative was once again widely discussed during the reconsideration of State finances after the Crimean War. In 1860 a commission under the liberal activist A. P.

Zablotskii-Desiatovskii was formed to investigate the possibility of switching to a Government excise tax on the production and sale of spirits. This was realized in 1863, and led to increased revenues. Pogrebinskii, Ocherki, pp. 63-64. The last important change to occur in this area of revenues before the world war was the establishment of a State monopoly on the sale of vodka which was extended into 35 provinces between 1893 and 1901. Alexander III had argued for this step on the grounds that the State would take better care of the moral interests of the consumer, but Count Witte clearly recognized that the monopoly provided a greater potential for raising funds for the Treasury. Theodore H. Von Laue, Sergei Witte and the Industrialization of Russia (New York, 1969), pp. 102-104.

[3]TsGIA f. 1276 op. 2 d. 213 l. 29. A copy of Shipov's original message submitted to Count Witte on January 31, 1906 is in ibid., d. 205 ll. 2-11.

[4]TsGIA f. 560 op. 26 d. 634 l. 247.

[5]Ibid., ll. 248-249.

[6]Ibid., l. 249.

[7]Ibid., l. 250.

[8]For a discussion of the status of the income tax during the nineteenth century see Michelson, Russian Public Finance, pp. 165-168. The open nature of certain phases of the deliberations is made clear by the many reports in Russkoe Gosudarstvo during the months of March and April. For example, March 27 and March 29, 1906 and April 11-April 13, 1906.

[9]TsGIA f. 560 op. 26 d. 634 l. 245.

[10]Ibid.

[11]TsGIA f. 1276 op. 2 d. 216 l. 61.

[12]Ibid., ll. 57-60.

[13]Various methods for calculating value were to be employed, including rates based on rents, sales price and insurance values.

[14]TsGIA f. 560 op. 26 d. 634 l. 246.

[15]TsGIA f. 1276 op. 2 d. 213 l. 75.

[16]For a recent analysis of Russian agriculture at the turn of the twentieth century see A. M. Anfimov, Krupnoe pomeshchich'e khoziaistvo evropeiskoi Rossii (Moscow, 1969), especially pp. 360-381.

[17]TsGIA f. 1276 op. 2 d. 213 l. 114.

[18]Ibid., l. 70.

[19]Ibid., ll. 71-72.

[20]Ibid., l. 106.

[21]Ibid., ll. 73-74.

[22]Ibid., op. 4 d. 186 ll. 1, 10.

[23]Ibid., op. 5 d. 204 l. 72.

[24]Ibid., l. 61. The new conference met on June 24, 1909 and submitted its final report to Stolypin on July 6.

[25]Ibid., l. 69.

[26]Ibid., op. 2 d. 205 l. 2.

[27]Letter of November 16, 1906 in Romanov, Russkie finansy, p. 336.

[28]Duma, Otchety. Soz. III, ses. 1 (November 27, 1907), col. 636.

[29]P. A. Stolypin. Rechi v gosudarstvennoi dume 1906-1911 (Petrograd, 1916), pp. 112-113.

[30]TsGIA f. 1276 op. 2 d. 213 l. 64.

[31]Ibid., l. 14.

[32]Ibid., l. 65.

[33]Ibid., ll. 49-53.

[34]TsGIA f. 560 op. 26 d. 534 ll. 108-111.

[35]Ibid., ll. 156-157.

[36]TsGIA f. 1276 op. 2 d. 213 ll. 109-110.

[37]Ibid., l. 112.

[38]The major archival sources for tracing the evolution of the reform include the note from the Finance Ministry outlining the course of the interdepartmental discussions of April-May 1906, memos from Shvanebakh, the Ministry of Trade and Industry and the Department of Trade, some formal interministerial correspondence among the leading officials, and most important two drafts of the Council of Ministers' journal (minutes of the proceedings). The first draft most closely resembles the actual mood of the session; the differences of opinion are more openly articulated and the content of ministerial statements more accurately depicted. The Chancellery of the Council of Ministers had the task of writing up a first draft of the minutes which was then distributed to all the participants for comment. The first draft in question, that of October 24, 1906 resulted in numerous marginal comments (by Kokovtsev, Shvanebakh, Vasil'chikov, Filosofov) which led in turn to a substantially revised draft—the one presented to the Emperor and approved January 26, 1907. Most of the changes were designed to give an impression of greater unity before the Tsar—something upon which Stolypin was quite insistent. For example, the first draft ended with unanimously approved resolutions on all counts (although much debate was revealed) with the exception of Filosofov who insisted on presenting the Tsar with a minority opinion on the taxing of joint stock companies. Between the date of the session and the compilation of the final draft, Filosofov was persuaded to accept formally the majority view, with the intention of relieving the burden on trade and industry also being made more explicity. Ibid., ll. 160-161. Other

general changes (and this holds true for matters other than taxation dealt with in the journals) were designed to make the debates, and in particular the choice of language, more acceptable to public opinion in the event that the journal found its way into private hands.

[39] Ibid., ll. 153-154.

[40] Ibid., l. 67.

[41] Ibid., l. 69. The final draft meant for Imperial (and perhaps public consumption) used Aesopian language to make the Duma threat seem much milder. It simply stated that too high a minimum would lead the non-propertied and less wealthy members of the Duma to take a less careful view of the tax rates, and would perhaps result in a poor correspondence of rates with ability to pay. The term used was a vague and euphemistic "not adequately interested," rather than the original meaning of "too interested" in squeezing the rich. Ibid., ll. 154-155.

[42] Ibid., ll. 70-71.

[43] TsGIA f. 560 op. 26 d. 634 l. 62.

[44] Ibid., ll. 247-250.

[45] Duma, Otchety. Soz. II, ses. 2 (March 20, 1907), cols. 817-818.

[46] Polnyi sbornik, p. 77.

[47] Duma, Otchety. Soz. II, ses. 2 (March 20, 1907), col. 819.

[48] Duma, Otchety. Soz. III, ses. 1 (November 27, 1907), col. 676 and Rech', November 28, 1907.

[49] Polnyi sbornik, p. 122 and a position paper of the Octobrist fraction in TsGAOR f. 115 op. 1 d. 34 l. 34.

[50] TsGAOR f. 115 op. 1 d. 34 l. 34.

[51] Duma, Otchety. Soz. III, ses. 1 (November 27, 1907).

[52]Rech', November 24, 1907.

[53]Golos Moskvy, November 25, 1907.

[54]Among the exceptions were some Nationalists, Moderate-Rightists and members of various nationality groupings (i.e., Poles). Moskovskii Ezhenedel'nik, No. 40 (1909), p. 21.

[55]A report from Kokovtsev to the Tsar dated November 13, 1904 in Romanov, Russkie finansy, p. 138.

[56]The position of the Rightists is outlined in G. Iurskii, Pravye v tret'e gosudarstvennoi dume (Kharkov, 1912), p. 133. The conservative Octobrist Sheideman's speech is in Duma, Otchety. Soz. III, ses. 3 (February 15, 1910), col. 1406. Shingarev's speech is in ibid., ses. 5 (February 29, 1912), cols. 3285-3290.

[57]Izvestiia Obshchestva Finansovykh Reform, No. 2 (1911), p. 9.

[58]Ibid., pp. 27, 44.

[59]M. Alekseenko, "Five Years of Budget Work," Russian Review Vol. 1 (1912), p. 34 and Eropkin's speech, Duma, Otchety. Soz. III, ses. 5 (February 29, 1912), col. 3375.

[60]Many related this problem to the question of changing the March 8 rules on the budget.

[61]P. Genzel, "Nalog s nasledstva," Russkaia Mysl', No. 9 (1907), pp. 108-115.

[62]See Golos Moskvy, November 28, 1907, Duma, Otchety. Soz. II, ses. 2 (March 20, 1907), col. 820, Duma, Otchety. Soz. III, ses, 2 (February 16, 1909), col. 1653 and Ekonomist Rossii, No. 43 (1910), p. 2.

[63]See Eropkin's speech, Duma, Otchety. Soz. III, ses. 1 (November 27, 1907), cols. 638-639 and editorials in Golos Moskvy, November 6, 1907 and October 7, 1908.

[64]TsGIA f. 1278 op. 2 d. 3213 ll. 150-151a.

[65]Ibid., l. 159. The early emphasis on State enterprises and operations as opposed to taxation as a source of revenues was voiced by others in society, for example, the Kadet M. Fridman, Vestnik Evropy, Vol. XII (1909), pp. 752-753, Golos Moskvy, April 22, 1908 and the major organ of big business Promyshlennost' i Torgovlia, No. 10 (1908).

CHAPTER IV

THE RUSSIAN STATE ECONOMY: PROBLEMS OF RAILROAD REFORM

The pursuit of tax reform revealed conflicts within the Government and society over choosing strategies for economic development, the diversity of Government perceptions of social and political stability, and the attitudes held by the Administration and Duma toward each other's role in the State system. However, little was done through taxes to improve Russia's financial situation or change the picture of the national economy. Moreover, although providing insights into the underlying attitudes of officials and public activists, the issue of tax reform did not result in significant confrontations between the Government and State Duma; it did not have much effect in determining relations between administrative and legislative institutions, or in defining their relative powers.

In contrast, the problem of how to organize and manage the system of State enterprises (particularly railroads) had a much greater lasting impact, both on the financial health of Russia and on the political and institutional relationships developing after 1905. This chapter will deal with a number of interrelated questions which should

shed some light on the politics of modernization in Russia. First, what constituted the system of State-owned enterprises, and what was its importance to Russia's finances and economy? Second, how did various elements within the State system perceive the causes of problems in the organization and management of the enterprises, as well as the solutions which might make them financially and economically more productive? Third, in what ways did these attitudes and perceptions provide the basis for cooperation, both in intra-governmental relations and in relations between the Government and the State Duma? And finally, how did emerging relationships and interactions affect the economic and financial performance of the State enterprises, as well as the potential for stability or tension within the transitional State structure?

The System in Outline

The Imperial Government was Russia's greatest property holder and entrepreneur. Under its control were some of the world's most abundant natural resources, including the vast forests of Europe and Siberia, lands rich in oil, minerals and precious gems, an enormous network of rivers and seas, coastal and inland waters rich in fish and seals, and the world's largest stock of horses. In addition to these natural treasures, the State possessed a number of factories, railways and man-made canals along with its most important

property: an enormous railroad system which it managed directly.[1]

The State utilized these resources and properties in a wide variety of ways, all designed to develop and expand them as essential factors in the growth of the national economy, and to administer them as sources of revenue for the Treasury. As indicated in Table II, the category of "Property and Funds Belonging to the State" formed a major portion of the normal revenues of the Imperial budget. In 1906, for example, it made up 26.5 percent of the entire total of normal revenues (602.6 million out of 2,271.7 million).[2] The revenue from rents was collected principally from leasing State property and undertakings, including land and buildings (9.4 million in 1906), oil fields (7.9 million), fisheries (2.9 million) and others less important from the viewpoint of State finances (gold mines, salt and mineral springs, coal mines, etc.). Forest revenue was received from the sale of standing timber on State land (50.5 million in 1906), the sale of wood materials prepared by the Government itself (5.7 million) and additional minor undertakings. Still other revenues came from State metal works (8.5 million) and financially less significant operations such as stud farms and sale of salt from Government works. State-owned funds brought revenues to the Treasury from the commercial profits of the State Bank (11.0 million in 1906) and interest payments from a wide variety of sources.

TABLE II

REVENUES FROM THE CATEGORY OF "PROPERTY AND FUNDS BELONGING TO THE STATE," 1902-1906

(In Thousands of Rubles)

Specific Category	Receipts				
	1902	1903	1904	1905	1906
Rents	25,164	24,419	24,446	26,824	22,272
Forests	58,219	62,051	60,053	52,102	57,534
State railroads	407,912	453,354	454,588	431,503	490,885
State works, mills, technical establishments and stores	13,581	11,365	12,522	15,438	11,699
Interest on funds belonging to the State, and profit on its banking operations	17,387	17,104	17,709	23,622	19,813
Share of the State in profits of railroad companies	1,453	2,363	2,334	3,560	407

Source: The Proposed Budget of the Empire for 1908 (St. Petersburg, 1907), p. 68.

By far the most important category of State property, and the one which will receive the most detailed consideration in this chapter, was the enormous network of railroads. The construction of a railway net in the Russian Empire began quite slowly under Nicholas I, despite the apparent military value of the new means of transportation, partly

because of fiscal considerations, but equally important because of a widespread mistrust of innovations.[3] After the Crimean War, however, the construction of new roads became a high priority, with the total length of the net growing under Finance Minister Reutern from 2,195 miles in 1862 to 13,980 miles in 1878.[4] His successors, A. A. Abaza, N. K. Bunge and I. A. Vyshnegradskii, continued this new emphasis on the development of the railroad system, although it was under Count Sergei Witte that the net's expansion became the cornerstone of an industrialization drive through the use of railroad orders as the dominant market stimulus. Between 1892 and 1902 the length of the Russian system grew by 46 percent, a rate second only to that of the United States. In absolute terms, although continuing to lag behind the other Great Powers in railroad density, Russia did own more rolling stock per mile of track in 1902 than France, Italy, Holland or the United States.[5]

As in other European countries, the question of how to finance and operate the railroad net could not be easily resolved, and resulted in numerous variations of private and State ownership and control throughout the nineteenth and early twentieth centuries. The earliest lines (Tsarskoe Selo in 1837, Warsaw-Vienna in 1838, and Nikolaevsk in 1842) were constructed after considerable controversy on the basis of private enterpreneurship. The apogee of private capitalist ownership was reached in the 1860s and 1870s under the so-called concession system, which included inducements of

special privileges and Government guarantees to private capital as a stimulus for construction. In the mid-1870s, out of a total length of 17.7 thousand versts (11.7 thousand miles), only 63 versts (41.6 miles) were owned directly by the Treasury.[6]

The concession system proved to be a financial burden on the State and an invitation to inefficient railroad exploitation. There was no incentive on the part of joint stock companies to cut costs of construction and operation, since the Government was obligated to cover losses of those privately-owned lines upon whose stock it had guaranteed a fixed rate of interest (in order to attract capital in capital-scarce Russia). By the early 1880s, only 6 of Russia's 37 railroad companies did not use Government guarantees to pay dividends, while the total debt of the companies to the State (from loans and aids as well) amounted to 1.1 billion rubles.[7] The Turkish War and the findings of an investigatory commission under Count E. T. Baranov exposed not only the financial dilemmas of dependent "private" ownership and exploitation, but the incapacity of the existing system to meet economic and strategic demands as well. In 1881, a decision was made to renew direct State funding of railroad construction, and to redeem privately-owned lines by the Treasury. From that date onward, Government construction of new roads began to outstrip private construction, while a vigorous campaign for redemption changed the balance of railroad ownership in Russia even further. By 1900, out of 50

thousand versts (33 thousand miles), only 16 thousand (10.6 thousand miles) remained in the hands of private companies.[8] During the period stretching from the beginning of the twentieth century to the 1917 revolution, the State continued to redeem a number of private lines and construct new railways with its own capital, although joint stock company activity showed renewed vitality as well.

As a consequence of the complex history behind the formation of a predominantly State-owned and operated railroad system in Russia, the net's budgetary position was quite complicated. The Treasury's revenues from railroads came primarily from fares and freights according to established tariff rates, supplementary payments for loading, weighing and storing goods, and miscellaneous receipts from the hire of rolling stock to private companies. The Government also received a 15 percent tax on passenger tickets and freight, both on private and State lines, as well as a share of the profits of most private lines and obligatory annuities from them. The latter were the result of past contractual arrangements between the Government and joint stock companies to compensate the Treasury for loans, subsidies and guarantees.[9] On the expenditure side, huge sums were spent on maintenance and operations of the enormous staff and system, the purchase of new stock, the strengthening and improving of existing lines, repairs and other such needs. In addition, the Treasury remained burdened with payments of subsidies and guarantees to private companies, as well as the interest on the

immense loans which had been floated to finance original construction.

The State Economy: Duma Criticism and Analysis

During the early sessions of the third Duma, especially in the years 1907-1909, the structure of State finances and economic operations came under intense scrutiny by the Budget Commission, the full Duma and a vigilant aggressive press. A number of observers noted that this focus of legislative activity seemed to be replacing the earlier preoccupation with legal and political problems.[10] This course had in fact been urged on the Duma by representatives of the Government who wished to avoid potentially divisive constitutional issues.

The pursuit of a healthy State economic and financial structure was generally considered a goal which could unite diverse segments of public opinion and opposing Duma fractions. The journalist N. N. Avinov stated that the demand for legality and orderliness in matters of State economy "links people of the most diverse political colorations," while M. Alekseenko declared that the political fractions had to set aside politically motivated acts in seeking a rational structure of State enterprises and property.[11] As we have seen, these were the sentiments which the Kadets had hoped to mobilize in support of immediate changes in the budget rules. Instead, putting the rules aside temporarily,

the Duma focused on specific investigation, analysis and criticism, with the Octobrists as the leading party in the relevant commissions playing the most active role. While asserting that theoretical and abstract discussions of the conditions of Russia's governmental system should not be permitted to pollute the atmosphere needed for concrete work, they felt free to pursue and expose all aspects of State enterprise; after all, such legislative activity was "responsible," "organic," "pragmatic" and "nonpartisan" in the sense that they understood these terms.

The Duma and society expressed grave concern over two interrelated characteristics of the system of State enterprises; the failure to adequately develop and exploit Russia's natural resources for the benefit of the national economy, and the failure of the existing system to make exploitation financially beneficial to the Treasury. Duma debates over the budget estimates of the Mining Department (part of the Ministry of Trade and Industry), the Forest Department (of the Ministry of Agriculture) and the Water and Roadway Administration (a division of the Ministry of Communications) repeatedly pointed to the contrast between natural wealth and existing utilization. Budget Commission spokesmen were especially critical of the Government's failure to bring the level of State enterprise up to the potential promised by huge reserves of forests, waterways, oil and other minerals. Not only was exploitation inadequate in absolute terms; the Tsarist regime had failed even to engage in scientific surveys to measure accurately Russia's natural assets.[12]

Especially serious in light of the profound need for revenues after 1905 was the failure of the existing enterprises to bring surpluses to the Treasury; the weak financial performance was in fact considered a primary cause of the budgetary crisis and a potentially fruitful area for tangible improvement. A notable example of the unfavorable trend of revenue collection from State enterprises was demonstrated by forestry operations which, as Table II shows, brought diminished receipts after 1903. The Government's preliminary estimates for 1907 and 1908, upon which public debate was based, indicated some improvement but not a return to the 1903 level.[13] Although forestry receipts did rise somewhat, the financial results were considered completely inadequate. The Duma Budget Commission rapporteur Ivan A. Menshikov noted that while Germany earned 16-18 rubles per desiatina of forest (2.7 acres), and France 10 rubles, Russia's Treasury received the trivial sum of 18 kopeks. Greater emphasis on rational exploitation combined with the extension of operations to currently idle European forests alone would help revenue totals reach 200 million rubles.[14]

The financial results of the Mining Department were even more discouraging, since the forests did at least bring net revenues to the Treasury. The Budget Commission spokesman E. M. Sheideman argued that the oil leasing operations brought in only a small fraction of the revenues which could be expected, considering the natural wealth of the oil lands and the power of the companies. Even more disgraceful and

serious from the financial point of view was the situation of the State metal works (gornye zavody) which brought in revenues of ca. 10.5 million but cost 13 million to operate. The deficits from this enterprise were a chronic drain on the Imperial Treasury.[15]

The most distressing sector of the entire State enterprise system was the railroad net, whose deficits by 1906 were substantial and threatening to grow. The Octobrist A. Eropkin argued that it must be considered "the chief focus, the main center of concentration of the national representatives in their affirmed aim of ordering our finances."[16] The financial contribution of the State railway net to the Tsarist budget had long been a matter of controversy, with most officials proclaiming that its exploitation brought substantial net earnings during the 1880s and 1890s, and their opponents condemning budgetary manipulations which distorted a "true picture" of perpetual deficits.[17] Whatever the legitimacy of these arguments, it is significant that even official Government sources point to the beginning of the twentieth century as a critical moment when the State's participation in railroad construction and exploitation (both private and Treasury owned) did indeed cease to be profitable. Statistics supplied by the State Controller indicate that beginning with 1901, the receipts from exploitation of State owned lines no longer exceeded the sum of operational expenditures plus payments on the original capital construction loans. Deficits for the period 1901-1907 are shown in

Table III. The overall losses to the Treasury were even higher if the drain of guarantees and aids to private companies was included, with the situation becoming especially serious after 1903.[18]

TABLE III

DEFICITS OF STATE RAILROADS, 1901-1907
(In Millions of Rubles)

Year	Deficit
1901	21.1
1902	32.2
1903	15.6
1904	30.3
1905	76.4
1906	90.0
1907	94.6

Source: Gosudarstvennaia Duma, Obzor deiatel'nosti gosudarstvennoi dumy. Tretii sozyv, 1907-1912 (St. Petersburg, 1912), p. 377.

The State Duma and the press attempted to analyze the condition of the State economic structure in order to arrive at the underlying causes of inadequate levels of exploitation and harmful financial deficits. Some attention in the analysis of existing problems faced by the acting administrators was given to the legacy of inactivity and the specific geographical-historical conditions in which the structure had evolved. It was recognized that past administrations had not been supplied with ample enough resources

for investment in Russia's natural wealth, for example the network of rivers and waterways. It was obviously Russia's poverty and backwardness themselves which stifled the potential for development. Furthermore, in the case of the railroad system, a number of factors were acknowledged which helped account for current deficits. It was affirmed that Russia's wide expanses, sparse population and generally low economic level made the conduct of the network for profit an intrinsically difficult task. It was also widely accepted that many of Russia's roads had been constructed for strategic or administrative purposes, and could not be expected to bring financial benefits to the Treasury. The same applied at least in the short term to the lines (especially those in Asia) which opened up new regions to settlements and economic development. Finally the upheavals of war and civic disturbance, as well as the serious famines of 1905-06 were given their due as serious complications for the productive functioning of State economic enterprises.[19]

Of far greater consequence, both for the political atmosphere in Russia and the development of relations between the legislative and administrative institutions, was the assertion that the primary cause of financial difficulties was the incompetence, irrationality and inefficiency of the entire system of State enterprises. Three major characteristics of the system which prevented it from operating well even within the limits imposed by natural conditions and accidents of history were singled out for especially intensive criticism:

(1) general shortcomings of management and organization in decision-making and policy execution; (2) widespread corruption at all levels; and (3) the more nebulous difficulties associated with bureaucratism. A brief survey will be made of the way these shortcomings were manifested in the less important areas of the State economy before examining the railroad net in greater detail.

A common refrain voiced by Duma critics was the "lack of system and lack of order in the management of the economy...."[20] In his report on the Forest Department, for example, the Budget Commission spokesman I. Menshikov pointed to the absence of planning and coordination; the indiscriminate cutting of timber, the lack of information and communications, the failure to survey, cut and take care of immediate and long-term needs of the forests systematically.[21] A similar description of the Mining Department was made by E. M. Sheideman (Octobrist), who was dismayed by the "impossible conditions" of the department, requiring reform and complete overhaul to cure chronic mismanagement. Despite the advantages of State contracts (primarily from the War Ministry), free fuel and other privileges, the management and operational procedures resulted in losses rather than surpluses. The Kadet A. Shingarev elaborated upon this, pointing to the lack of rational commercial bookkeeping, an inability of the directors to keep accounts and cut costs, the total absence of any plan (neplanomernost'), and the overall lack of capacity to make decisions and implement them in ways

conducive to competitiveness.[22] The Chief Administration of Studs, in charge of stud farms and horse ranches, was also condemned for lack of economy stemming from neplanomernost'. The Kadet A. E. Berezovskii noted specifically that the unscientific, careless and haphazard methods of breeding led to inadequate attention to the variety of Russia's needs for horses, particularly for the mass of small landholders. The existing organization was largely to blame, since it kept the horse ranches isolated from broader policy making and prevented coordination with the Ministry of Agriculture, which should have control over breeding.[23]

Stinging criticism was also meted out to the Administration of Water and Roadways which, although not expected to be a revenue producer, was still blamed for failure to utilize Russia's natural resources for the benefit of the national economy. The Octobrist rapporteur of the Budget Commission repeated a familiar refrain; that the Department as then organized and managed could not be expected to use funds appropriated to it in a productive way. The Ministry of Ways of Communications was accused of being without a comprehensive plan of development; it lacked even an adequate classification of waterways (a prerequisite for all else), and had in the past spent huge sums of money in a random way, without a system or clearly defined priorities. Too much had been left to chance, to makeshift and haphazard programs which failed to coordinate transportation policy with the broad needs of the Empire. The lack of financial and

technical plan, and the superabundance of functionless agencies staffed by excess personnel made the waterway system a chaotic mess. The existing approach resulted in catastrophes such as the Ob-Yenisei canel (at a cost of 2 million rubles), built in a way which made it incapable of handling the kinds of shipping most commonly found on the two great rivers.[24]

The objective and historical causes for the unfavorable performance of the State economic system had been applied most of all to the railroad net, with even such critics as M. Fridman and N. Kutler maintaining that poverty, climate, geography and strategic needs put limits on the financial and economic performance of the railways. However, these were not the most important considerations which explained the deficits suffered by the State railroad system; of far greater consequence was what A. Eropkin described as the "absolute lack of system, the absence of plan, and the mismanagement of the entire structure."[25] The Duma and interested groups in society uncovered serious shortcomings in the organization, personnel and management techniques of the State railway net which they believed required rectification as a prerequisite for improvement in financial and economic performance.

A major criticism leveled at the system was its failure to allow planning and coordination of transportation policy and operations. A memorandum from the big-business-oriented Association of Industry and Trade to the Ministry of Communications pointed out that hundreds of millions of rubles appropriated for the improvement of the railroads and acquisition

of rolling stock between 1900 and 1907 were wasted, due to the absence of a thorough plan. A multi-billion ruble enterprise could not be conducted on a day-to-day or even year-to-year basis, but had to be ordered in a rational way.[26] The major cause of confusion and discord was the multiple authority which controlled the State network, dividing jurisdiction, prerogatives and functions in a manner harmful to planning and coordination. The Ministry of Communications was conceived as a narrow technical department, the Finance Ministry was in charge of monetary matters and the State Control was the authority on accounting and record keeping. Each "strives to conduct an independent policy" neither aware of nor concerned with the activities and goals of the others. The Association memorandum urged that the structure of the railroad system be changed in such a way as to consolidate all aspects of the administration of railway affairs. Joint control of this area by many ministries was "an anachronism" which brought harmful economic and financial consequences to the State. Either the Ministry of Communications had to be destroyed and all its functions transferred to the Finance Ministry, or the latter should surrender all tariff and railroad functions to an enlarged and strengthened Transportation Ministry. Furthermore, the latter would best be entrusted with administration over ports, which were in essence only the final railroad stations on a given line.[27]

This criticism and similar remedies were stated by other groups within society, and by the State Duma as well. An

editorial in Golos Moskvy complained that the Ministry of Communications was so deprived of real power in conducting railroad operations, and so dependent on the judgment of other ministries (especially the Finance Ministry) that successful functioning suffered severely. The Octobrist paper recommended that the Department of Railroad Affairs and other institutions of the Ministry of Finances be transferred to the Ministry of Communications in order to consolidate questions of construction, tariffs and related matters into one administrative body.[28] The Budget Commission also affirmed that the influence of the State Control and Finance Ministry should be lessened in railroad affairs. N. L. Markov decried the vestiges of the pre-reform period when a strong Finance Minister attempted to control all areas of the State economy, and to subordinate weaker ministries to his will.[29]

The diffusion of authority was not only manifested in the formal jurisdictions held by central institutions; its impact was felt on the local levels, through the participation of interdepartmental councils attached to all railroad lines. According to Markov, the collegial bodies deprived the individual line executive officers (nachal'niki) of authority and responsibility. Deprived of decision-making power and accountability for the results of decisions, the executives lost the vital sense of concern for the proper functioning of the line. The chiefs were not motivated to scrutinize closely operations of the roads as they might

affect such concrete criteria of performance as profitability. This lack of motivation brought with it the collapse of initiative, and the pervasiveness of deadening formalism and routinism. Mounds of paperwork became the symbol of the local railroad executive, rather than activity and dynamism in management of the roads. The Octobrist D. I. Gertsenvits, in the name of the party's Duma fraction, supported the Budget Commissions's recommendation that collegial organs be dissolved in order to restore "initiative, responsibility and vitality" to the chiefs of the lines.[30]

The pervasive absence of authority, responsibility and accountability was both a source and result of the corruption which critics claimed had spread throughout the entire administration of State enterprises. The Kadet Nekrasov pointed to the embezzlement, thievery, covering-up and backscratching in all reaches of the administrative hierarchy which prevented efficiency and cost the Treasury millions. Gertsenvits linked these features of the Russian system to the inability of the State's enterprises to gather surpluses. The existence of privilege put above State interest had to be combatted; targets were the corruption of those in charge of dispensing contracts, the improper use of quartering and traveling allowances, the lack of initiative which prompted officials to turn the other way when witnesses to criminal behavior, and massive petty pilferage.[31]

The Duma Budget Commission and full Duma sessions revealed what the moderate-rightist Count V. A. Bobrinskii

called a "unanimity of...opinion on questions connected with the State railroad structure."[32] However, although there was unity in the perception of lack of coordination, mismanagement, inefficiency and corruption, there were differences in the underlying aims of criticism and proposed solutions which should be mentioned. One thrust of public opinion was in fact hostile to the very concept of State enterpreneurship, or "State socialism" as it was called by some, and sought to discredit both the principle and the realities of governmental operations. This position was most ardently advocated by the Association of Industry and Trade.[33] Although ambivalent about precisely what relationship the State and economic enterprise should have, realizing both the dangers of excessive governmental interference and the impracticality of total laissez-faire, the Association did press its criticisms with the aim of highlighting the advantages of private enterprise.

Especially in its early years, the Association felt it necessary to discredit the notion that State enterprises were intrinsically better than private ones, and to urge the expansion of the latter sector. The privately operated Warsaw-Vienna line was used as evidence that the private system of management had progressed dramatically, while the State system had perhaps even deteriorated.[34] Although perhaps not taking very seriously the possibility of implementing its own suggestions, the Association even went so far as to ask rhetorically whether it was not an appropriate time to transfer

management of the massive State lines into private hands. It was argued that the Russian lines were in need of enormous expansion and improvement. This could be accomplished only by the injection of "living (zhivye)" energetic people and "immense capital"—ingredients which only "private entrepreneurship" could provide. Even the appearance of energetic leadership would probably fail to breathe the "commercial spirit" into State institutions. A talented Minister would simply "drown in the sea of paperwork."[35] Another article by the spokesman Baron Maidel stated bluntly that it was "impossible to make a commercial enterprise out of a Treasury institution." Thus, the whole system of State enterprises and properties was being questioned not only on the basis of daily operations, but in principle as well.[36]

In practice, as Roosa points out, the Association limited itself to opposition to any further expansion of State enterprises, and to emphasis on avoiding violations of private entrepreneurial rights.[37] Most important is that the anti-bureaucratic tone of its criticisms served to reinforce the predominant demand raised in society and the Duma; the participation of the public and its institutions in investigation, policy-making and control over the structure of the State economy. Rather than dismantling the economic apparatus, the goal was to make it more rational and efficient, first through the reorganization of the administrative structure,and second through the incorporation of public forces

(obshchestvennye sily) and institutions (zemstvos, municipalities and Duma) into active participation. The predominant mood of the Duma and the groups it represented was not against "statism" but rather against a State structure organized and managed bureaucratically—one isolated from the nation and society it was supposed to serve.

The debates in the Duma revealed a faith in the power of society to overcome some of the shortcomings of bureaucratism, and to foster rational, efficient and responsive management of State enterprises. In assessing the estimates of the administrative departments which directed the system, the Duma pressed numerous requests (pozhelaniia) for reforms in the bureaucratic structure. Dmitriukov, Alekseenko and other leading members of the Budget Commission argued, however, that purely interdepartmental activities would not be sufficient, and that society through zemstvos and other such organizations had to play a role in decision-making and management. The relevant ministries should coordinate their efforts with public activists if optimal results in investigation of problems and generating solutions were to be attained.[38] The Kadet Nekrasov made this point clear in regard to the State waterways, arguing that the Minister of Communications was

> ...impotent without the help of public opinion, without the help of the people of the country; impotent because he is enveloped by so dense a bureaucratic mass that nothing can penetrate through.[39]

This is a strong statement of the conviction which formed an integral part of liberal ideology, and which helped motivate the political activities of those in the "constitutionalist" camp; the idea that debureaucratization through the incorporation of public forces into Government life would make for more rational and efficient State administration. It is the belief that an apparatus confronted with the principles of obshchestvennost' could be shorn of the debilitating effect of bureaucratism—the lack of initiative, responsibility, energy and vitality. The State Administration must be given a transfusion: a renewed sense of dedication and purpose would follow reorganization aimed at greater rationality, consolidation and coordination on the one hand, and a shift in the balance toward public influence and participation on the other.

The means used by the Duma to transform vaguely expressed challenges to administrative supremacy into concrete assertions of power and prerogatives will be discussed below. It should already be apparent, however, that the boundary separating vigorous "nonpartisan" criticism of finances and economic operations from the raising of political, systemic and constitutional questions had already been crossed by the Duma. As it happened, society's critique, while ostensibly focusing on shortcomings of departments directly in charge of State enterprises extended itself inexorably to an analysis of the entire bureaucratic structure and its suitability for modernization of Russia. A search for the root causes

of financial and administrative shortcomings in railroad operations, for example, inevitably carried much further than a technical survey of minor flaws in an otherwise satisfactorily functioning regime; it actually led to the broader questioning of the entire State apparatus, its competence and capacity for guiding Russia's financial-economic life. From some quarters, the question of the role of Government in general was raised—the legitimacy and efficiency of any major governmental initiatives and functions in the economic arena. In practice, however, the ideological opponents of Government enterpreneurship supported the more widespread thrust of Duma and public condemnation of the Tsarist structure's specific deficiencies. The advocacy of alternative systems, more viable organizations and means of decision-making and policy implementation were the natural consequences of criticism in depth of existing patterns. A decisive question facing the Duma and Government was whether "constructive" criticism—the surfacing of information, the pressing for reform, the advocacy of different methods and a new distribution of power more favorable to society would threaten to disrupt the sought-after depoliticized atmosphere. What would be the nature of clashes in the area of finances and the organization of the State economy, and further, would these clashes impede the pursuit of solutions to the objective dilemmas which beset the system?

Towards an Improved State Railroad System: Government Initiatives

In order to understand the Government's response to the concrete problems of railroads aired by the Duma, as well as to the political challenge implicit in society's criticisms, two major points should be appreciated. First, officials of the various administrative agencies in charge of railroad affairs were themselves aware of shortcomings in the State net. Second, the Government was divided over causes of inadequate railroad performance and appropriate solutions to the problem. The major antagonists were officials of the Ministry of Communications on the one hand, and those of the Ministry of Finances on the other. The former sought to advance railroad affairs by making them a higher investment priority in the State system and by increasing the independence of their Ministry. In contrast, representatives of the Finance Ministry perceived the problems of railroads as part of the overall dilemma of achieving balanced budgets and consolidation of decision-making power within their Ministry. As we shall see below, both departments found opportunities to seek support from the State Duma to further their conflicting aims. At the same time, however, the fundamental concern of those in the Government with maintaining parameters on legislative functions and powers also opened up the possibility of confrontations with elements of society dedicated to increasing Duma (and public) prerogatives at the expense of the bureaucracy.

The condition of the railroad net had long been a matter of grave concern for the Tsarist Administration; Duma criticism was not required either for raising the questions or stimulating corrective responses. As the agency in charge of administering the railroads, the Ministry of Communications was particularly sensitive to evidence that the roads often failed to meet the needs of the population, and did not promote the development of industry and trade. Among the symptoms of poor performance its officials acknowledged were the enormous quantities of grain left rotting at the stations, inadequate transport of coal and fuels vital to economic health and breakdowns during emergencies such as famine or troop maneuvers.[40] Furthermore, the financial deterioration of the net with its consequences for budgetary stability was widely recognized within the Government as a serious problem requiring immediate action.

In order to arrive at possible solutions to the problem, it was necessary to comprehend the underlying causes of unsatisfactory railroad performance. As stated above, the Budget Commission and liberal-moderate society recognized with varying degrees of awareness that the construction and exploitation of railroads in Russia entailed inherent difficulties due to the legacy of backwardness and extreme geographic conditions. However, their emphasis was on systemic and human failings; the organization of the railroads was chaotic and irrational, and the officials were guilty of corruption, mismanagement and bureaucratism. The State Railroad Administration, one of

the departments of the Ministry of Communications, bore the brunt of the criticism, since its officials were directly involved in running the roads.

Not surprisingly, representatives of the Ministry of Communications attached far greater weight to natural and historical factors which made the profitable exploitation of railroads (especially State-owned lines) exceedingly difficult in Russia, and which hindered adequate service to the national economy as well. Among the most important natural factors (economic and geographic) which put limitations on the performance and results of any Russian railroads were: (1) the long distances, severe climates, thin population density, low economic level and low value of raw materials (the bulk of freight) which held down the usual indicators of financial success; (2) the high costs of repairs and exploitation in poorly developed areas lacking in equipment and personnel; (3) the peculiar economic and commercial pattern of Russia which was characterized by most intensive activity in the fall and winter, simultaneous with the most debilitating weather conditions; (4) the peculiarities of the grain trade which necessitated dumping of enormous quantities of grain at the railroad stations due to lack of warehouses and savings of farmers, thus giving the roads the added burden of storing the nation's entire crop; (5) the generally low cultural level of the population which affected railroad performance in numerous ways; and (6) the general backwardness of home industry and technology which affected repairs, construction and maintenance.

These economic and geographic conditions affected the operations of all railroads. There were, however, additional factors which made it particularly difficult for the State Railroad Administration to achieve financial success, including: (1) the construction and exploitation of roads for reasons other than commercial advantage, such as military or administrative aims, as well as the opening up of regions whose resources could not be enjoyed for years to come; (2) the use of such roads by the military, postal and migration departments at special rates which deprived the State net of optimal revenues; (3) the legal requirements that State roads request Treasury credits far in advance and communicate their intentions to other departments, thus frequently preventing the lines from making contracts at most advantageous terms; and (4) the acquisition by State lines of raw materials at higher costs in order to promote home industry.[41] The essence of the Ministry's position was that any criticism of the performance of State railroads had to begin by emphasizing the multiple goals of the system (strategic and administrative as well as financial) and the objective limitations (the legacy of Russia's backwardness itself) which were often beyond the control of Railroad Administration officials.

Despite this emphasis on the parameters of possible achievement, an emphasis designed to counteract society's criticism of railroad officials, the Ministry of Communications certainly did not deny the possibility of strengthening the system. In fact, before the outbreak of the Russo-

Japanese War, a fact-finding commission under the railroad expert Ivashchenko was assembled to assess means of improving financial and economic performance. However, its activities were suspended and conclusions temporarily lost in the turmoil of war and revolution. It was only with the restoration of peace and some degree of internal order that new efforts could be undertaken to revitalize the structure and operations of the State railroad net, a need made more urgent in light of the general post-1905 imperatives for reform and modernization.

Embryonic plans for improving the system appeared in the pages of the official organ of the Ministry of Communications in 1906 and 1907. During the spring and summer of 1907, before the prodding of the Budget Commission had begun, measures to renovate the nation's railroads were reaching the final stages of formulation.[42] The fundamental principle behind the proposed program was the development of all means of communications (river, land and rail) in ways conducive to better service for the State and country. They must be made to correspond to changing economic, cultural and legal conditions. It was fully recognized that Russia had entered into a new era where "strict legality of all activities of governmental organs must be observed." Furthermore, during the previous fifteen years, it acknowledged, "the intensity and tempo of commercial-industrial life had reached new heights," while the cultural life of the population had developed accordingly. The system of communications must

therefore be adjusted to meet the challenges of a new epoch of Russian history; this could be accomplished through a series of measures requiring legislative and administrative action.[43] The two projects most directly related to improving railroad performance, and which evoked the most intensive discussion within the Government as well, were: (1) the investment of hundreds of millions of rubles for strengthening and improving the lines, and (2) the reorganization of central and local institutions in charge of railroad affairs aimed at increasing the independence of officials attached to the Ministry of Communications. Other less important measures mentioned by the Ministry, but not receiving treatment in this chapter, include a statute to regulate the granting of State contracts, changes in general regulations governing State and private roads, new provisions for pensions, and rules on employee and working conditions.[44]

The project "On the Strengthening and Improvement of State Railroads" was compiled by the Ministry of Communications in 1906-1907, and submitted to the interdepartmental conference which convened in February 1907. Consistent with the view that the primary cause of inadequate performance lay in objective and historical factors and was not the responsibility of the existing staff, the drafters of the measure called for undertaking substantial new investments to overcome the legacy of backwardness. At the interdepartmental conference, Deputy Minister Miasoedov-Ivanov complained that the Ministry's efforts to improve the operations of the State

lines had been constantly thwarted by the paucity of sums allocated for this purpose. Budgetary appropriations were not dictated by the needs of the railroads, but rather by the "financial considerations of the Treasury" which made the size of the following year's allocation a matter of unpredictable circumstance (sluchainyi). This procedure was responsible for the postponement of measures required for sound exploitation, and moreover "removed any possibility of instituting planning (planomernost') in the development of the net."[45]

Only by overcoming the problem of inadequate and irregular funding could the railway net cope with the increased challenges of Russian life, and do so in a rational way. In order to permit the formulation of a "definite program" of improvements, the plotting out of measures arranged according to priorities based on long-term projections, a minimum five-year budgetary period (predel'nyi biudzhet) would have to replace the existing yearly procedure.[46] The sum for the first five-year period arrived at by the interdepartmental conference (which was chaired and dominated by representatives of the Ministry of Communications) was 916.1 million rubles, including: ca. 303 million on engines and wagons, 105 million on repair shops, 119 million on stations, and 60 million on the repair and construction of damaged bridges, and the placing of new ones.[47] This sum included expenditures on the State lines alone, on the grounds that Government expenditures could only be directed consistently to this segment of

the net, since private roads were controlled by joint stock companies. Furthermore, the State net was considerably larger, and functioned essentially as an independent system. Naturally, private roads would be directed to reach required levels of exploitation and efficiency once measures were underway in the Government sector.[48]

The Ministry of Communications was thus proposing enormous new investments beginning in 1907-08 (ca. 80 million more per year than for the average of the five previous years), at a time when the nation's finances were badly strained and the Administration of Railroads was under steady criticism for being incapable of rationally managing those funds already at its disposal. Yet the officials of the Ministry argued for increased investment within a fixed budget on the grounds that this alone would assure rational planning and ordering of priorities, as well as more efficient exploitation of better conceived lines. It was even suggested that the enormous new expenditures could be justified from a "purely financial point of view," since a more rational operation resulting from initial investments would eventually lower overall costs of exploitation. This outcome was of course contingent on the continuing expansion of economic life which would increase the demand for railroad service.[49] The major argument, however, was not a fiscal one; it was the contention that the strengthening of the net through new measures was essential for raising the general productivity of Russia and that "irrespective of the direct financial results of

these expenditures they [were] absolutely necessary from an overall State view (obshchegosudarstvennaia tochka zreniia)."[50] This assertion was a challenge to the conception of national interests as being nearly identical with budgetary considerations, and counterposed immediate fiscal stability to the flowering of Russia's productive forces. Most important, by demanding huge sums of money immediately, the Ministry was contending that it was indeed capable of meeting the challenges of rationality, efficiency and sound management.

As we shall see below, the project for strengthening and improving the State railroad net through expensive new investments became the subject of intense controversy within the Government, and was finally not even submitted to the legislative institutions. While pressing for more credits, however, the Ministry of Communications did not neglect its second approach to improved railroad performance--that of reorganization and departmental reform. Representatives of the Ministry argued that equal in harm to lack of funds were the deficiencies in organization which hampered its ability to run the railroad system. Ministers of Communications N. K. Shaufus (1906-1908) and S. V. Rukhlov (1908-1915) attached the highest priority to the completion of a project for permanent and newly organized staffs and institutional prerogatives of the Ministry. This had been widely advocated as early as 1865 when the Ministry was formed; since that time the agencies and personnel (and their functions) had been based on constantly renewed temporary legislation.

By the spring-summer of 1907, the general thrust of reorganization advocated by the Ministry of Communications was already clear. The reform of central and local institutions had to fulfill twin goals: (1) greater flexibility and authority for local line executives in decision-making and operations of the roads, and (2) an intensification of relationships between Government and public bodies.[51] It should be emphasized that representatives of the State Railroad Administration (of the Ministry of Communications) advocated changes in this direction before the public outcry resulting from Duma activities in 1908.

A preliminary outline of specific measures designed to achieve the above stated aims were only discussed briefly by the Council of Ministers on July 8, 1908, despite Miasoedov-Ivanov's urging that deliberations be immediate and final. The Council decided instead that the matter required further discussion in interdepartmental conferences, and instructed the Deputy Minister to inform the State Duma that permanent staffs and organization might be delayed through part of 1909.[52] The major conferences were held under the chairmanship of Miasoedov-Ivanov from August 25, 1908 to February 16, 1909.[53] The project worked out at these meetings met the general approval of Rukhlov, who became Minister while they were underway, although he did make some minor changes. A final high level conference followed, after which the Ministry of Communications was finally able to submit a full project to

the Council of Ministers on February 25, 1910. The Council met to discuss the measure on March 2.[54]

Although the specific proposals changed somewhat during the two years of discussion, the basic thrust of the goals of Shaufus and Rukhlov can be seen throughout. Initially the Ministry of Communications advocated the elimination of inter-departmental collegial councils overseeing the line executives (as had the Duma), but in the face of opposition which will be discussed below, the 1910 proposal modified this stand. Rather than totally removing the collegial bodies, Rukhlov now agreed to settle for a substantial diminution of their authority, in conjunction with a strengthening of the local chiefs (nachal'niki). Increased power for these executives would result in greater initiative and responsibility, thus counteracting routinism and formalism within the Railroad Administration. Specifically, Rukhlov's project greatly reduced the number of day-to-day decisions which required collegial approval. The right of any individual dissenting member of the collegial council to veto an operational measure supported by the chief, long one of the privileges most condemned as condusive to wasteful delays, inefficiency and loss of executive self-esteem, was to be curtailed considerably by Rukhlov's proposals. As an adjunct to the freeing of the executive from collegial interference, efforts would be made to promote closer ties with local society through the calling of regularly convened conferences with elected representatives of zemstvos, municipalities and other concerned organizations.[55]

Additional insight into the ultimate aims of the Ministry of Communications can be achieved by examining some of the explanatory notes not directly incorporated into the 1910 reform project. The latter limited itself largely to an attack on interdepartmental collegial councils; the notes went even further by suggesting a wide range of areas which should be under the control of the Ministry of Communications, but which were still under the jurisdiction of other governmental agencies. In doing so, Rukhlov (the author of the notes) once again equated his own proposals with the attainment of coordination, planning, efficiency and rationality. He noted first of all that his Ministry did not even have control over all aspects of railroad affairs, in particular the determination of rates and principal decisions on building new lines which had been delegated to the Finance Ministry in 1888 and 1895 respectively. This duality of central authority, he maintained (echoing the Duma), deprived the Railroad Administration of unity. Of course, Rukhlov conceded, the Finance Minister should be involved in the direction of railroad affairs, considering their budgetary significance; but in other financially important areas such as the Forest Department and War Ministry there was no such direct control. There was certainly no justification for dual authority under current conditions, when the existence of the united Govenrment sufficiently guarded budgetary interests.[56] In a similar way, Rukhlov expressed his opposition to the continued jurisdiction over commercial ports by the Ministry of Trade and Industry,

repeating the old argument that ports were the final points of railroads and waterways. The only reason he did not pursue these questions of central jurisdiction, according to the note, was that this would greatly complicate and delay the process of internal reorganization and establishment of permanent staffs which had been held up long enough.[57]

Kokovtsev and Opposition to Reform

The Ministry of Communications proposed two major approaches to improving the performance of State railroads which required Government agreement and legislative action; a broad program of capital investments for strengthening the lines and acquiring more rolling stock, and a reorganization designed to give the Ministry greater jurisdiction over the network by freeing local executives of collegial interference. The most implacable opponent of these programs was the Minister of Finances Kokovtsev, generally supported by the State Controller. Kokovtsev's attitude toward the projects of Shaufus and Rukhlov was determined by his own conception of Russia's vital interests and his conviction that the Finance Ministry was best able to guarantee them.

It was not at all surprising that Kokovtsev opposed the 916 million ruble fixed budget project. As the Finance Minister in a period of budgetary crisis, committed to the cutting down of wasteful existing expenditures, the spectre of huge new appropriations was ominous indeed. This was especially so when the chief advocate of the measure actually

confessed that any financial benefits might not be felt for a long while, and that these were of secondary importance. Kokovtsev had already demonstrated, however, that credits for railroads were not exempt from the creative art of paring down estimates. One indication of this was his silent (but still evident) opposition to the Amur railroad line, a project which had received the open support of the Tsar, Stolypin and many leading Duma figures.[58] He was far more open in attempting to force Shaufus to hold down normal expenditures in 1907, and to stay within the bounds of temporary monthly allocations for 1908.[59]

Clearly at a time when Kokovtsev was hesitant about a widely acclaimed strategic measure requiring extraordinary expenditures (which would not show up immediately on normal budget accounts), and was actively scrutinizing existing credits, requests for massive new programs could hardly be well received. The Finance Minister's most reliable ally on this question, Acting State Controller A. Nikolaev, outlined four major objections to the 916 million ruble project: (1) The State Controller and Finance Minister had been deprived of participation in the compilation of the specific list of measures and projects included in the 916 million ruble program. The list was assembled on the basis of data supplied exclusively by local railroad executives, without consultation with collegial councils. This made it highly unlikely that the total sum requested was not biased and innaccurate. (2) The project as it stood was not inclusive enough, since

it failed to incorporate specific measures for strengthening and improving the private lines which formed a vital link in the entire railroad system. Similarly, the recommended program did not consider the changes needed in commercial ports to meet the increased volume expected; nor did it consider the impact of new lines on the renovation of old ones. (3) The budgetary procedure of five-year authorization preceding detailed compilation of specific measures along well articulated priority guidelines was especially dangerous. It was necessary to be precise about priorities for specific works and then assign costs to them, after which yearly appropriation could be approved. (4) On purely financial grounds, the huge investments in the Ministry of Communications (183 million per year) would be an enormous burden on the Treasury and population. Contrary to hopes expressed by Shaufus, exploitation costs in the near future gave all signs of rising, so that the project could not be expected to pay for itself. Taking all these reasons into account, Nikolaev opposed the nearly billion ruble five-year fixed authorization, and favored instead the application of normal yearly budgetary procedure.[60]

A letter from Kokovtsev to the Council of Ministers dated October 9, 1907 was a further decisive blow against the billion ruble program. He reiterated most of the points made earlier by the State Controller, although the focus of his objections was on the financial consequences of the Ministry of Communications' request. He was absolutely

opposed to making appropriations of enormous sums legally binding for a five-year period which would not be dependent on changing budgetary conditions, but rather would be an absolute and obligatory burden. Not even counting the extra costs of guaranteeing investments in private improvement, which was a necessary corollary to Shaufus' plans, the 916 million simply could not be supplied by the normal budget. Any attempt to resort to extraordinary funding would be received unfavorably in Europe's money markets, thus weakening Russia's credit even further and threatening potential future loans for "overall state needs (obshchegosudarstvennye zadachi)." Kokovtsev expressed the desirability of a definite plan for specific works, but consistent with his frequently expressed financial philosophy, these works were not to be based on resources which the Treasury did not have; rather, they should be elaborated strictly on the basis of the budgetary conditions of the moment. He thus concluded his statement with emphatic rejection of any fixed budget and insistence upon yearly appropriations through normal budget procedure—conferences composed of representatives of the Ministry of Communications, the State Control and the Ministry of Finances, at all times considering both the needs of the roads and the capacity of the Treasury.[61]

Rejection of the five-year budget had more than purely financial significance. The fixed budget would not only have endangered fiscal balances by forcing the Treasury to set aside substantial funds irrespective of financial

capacity; it would also have given the Ministry of Communications far more flexibility and maneuverability in the utilization of these great sums. The experts in that Ministry claimed that such flexibility would facilitate planning and day-to-day operations, thus improving the efficiency of the railroads. This would also, however, have directly contradicted Kokovtsev's efforts to bring all budgetary-financial matters more tightly under the control and supervision of the financial apparatus. The fixed budget was in itself a repudiation of this fundamental element of Kokovtsev's policy, and therefore had to be opposed irrespective of the concrete financial situation of the Treasury.

In his conflicts with the Ministry of Communications, Kokovtsev was expressing the view that his own Ministry was best able to judge what Russia needed for her national well-being and make vital decisions serving the "overall State good." It was in the realm of internal reorganization of the kind advocated by Shaufus, Rukhlov and the State Duma that this question of departmental competition arose most explicitly. Kokovtsev fought every initiative which might weaken the jurisdiction and prerogatives of the Ministry of Finances, in the same way that the Ministry of Communications and the State Duma endeavored to expand their own functions and powers. The representatives of all these institutions acted on the premise that "rationality" and "overall State interests" would be more vigorously served by their own control over the management of State economic operations.

One of the major controversial issues was the desirability of interdepartmental collegial councils attached to all State railroad lines. Kokovtsev led the fight against their liquidation at the Council of Ministers session of July 9, 1908 and remained discontented with Rukhlov's "concessions" of February 25, 1910 as well. He admitted that the chiefs of the rail lines should be given greater independence in resolving economic and administrative questions, but felt that the reorganization project went too far in this direction. He had agreed earlier that on issues other than those dealing directly with the budget, or of obvious "major State significance" (left quite vague), the local representatives of the Finance Ministry would no longer have the right to postpone executive action pending final decision in Petersburg by the Committee of the Railroad Administration (a central collegial organ); this practice slowed down decision-making and harmed efficiency. In Kokovtsev's judgment, the 1910 project went well beyond these concessions, and virtually deprived the Finance Ministry and State Control of veto powers on a number of strictly financial matters, such as transfer of credits, dispensing subsidies, review of the estimates of individual lines as they were being compiled and others intimately connected to efficiency and expenditures.[62]

In addition to opposing too drastic a reduction of interdepartmental collegial organs, both at the center and the localities, Kokovtsev was an implacable foe of any consolidation

of powers and prerogatives within the Ministry of Communications when these came at the expense of his own Ministry. He especially criticized the 1908 proposals to transfer decision-making on new railroad construction, tariff rates and the management of commercial ports to the Ministry of Communications. Kokovtsev claimed that the interdepartmental conferences which dealt with these issues must remain under the Finance Ministry, since the latter was connected with all spheres of the State economy, and could be "more objective" in its deliberations.[63]

This was not the only occasion when the Finance Ministry was viewed by Kokovtsev as the most competent and just arbitor of competing interests and concerns, as the rational-objective reconciler of conflict, and the definer of national interest. Such a position had been set forth in a memorandum written for Kokovtsev and approved by him as background for his March 1908 testimony to the Finance Commission. It asserted that the construction of new railroad lines could not be decided singly by any individual department, since it would approach the question with a very narrow perspective. For example, the Ministry of Interior would be guided primarily by the interests of the rural population, the Ministry of Trade and Industry by impact on commercial patterns and the Ministry of Communications by criteria of a technical nature. The best solution was to allow the incorporation of all viewpoints and interests, in order to satisfy the "greatest sum of interests" corresponding to the general

tasks of economic policy. Objectivity demanded interdepartmental activity in an organ like the already functioning Commission on New Railroads; it was absolutely essential, however, that the organ remain under the Department of Railroad Affairs of the Ministry of Finances. The latter was directly responsible for the financial health of the Empire, which was in turn dependent on trade, industry, agriculture and the correct balance of private and State economy activity. In each instance, the Ministry of Finances was most interested in the sum of results that the construction of new railroads [or likewise the changing of a tariff] would have on the many sides of national economic life.[64] In other words, the Finance Ministry should be the source of decisions on what constituted the national interest in economic matters; the "objective" and "impartial" arbitor and reconciler, the framer of a policy national in scope and purpose.

An instructive example of Kokovtsev's resistance to major organizational change which might damage the Finance Ministry's prerogatives came in 1907-08, a particularly acute period of railroad deficits, when he opposed a suggested innovation in the command structure of the State railroads. On his own initiative, a Deputy Minister of Communications, Von-Vendrikh, proposed the establishment of a special "Exploitation Corps" which was to "unite, coordinate and improve the activities of Russian railroads whose functioning is rife with shortcomings revealed during peace and war...."[65] The essence of his proposal was the creation of a "unified central organ" operating

under the Ministry of Communications, but actually quite independent of it, designed to command all matters relating to the railroads in a military manner. During peacetime emergencies and in any wartime situation, a special adjunct to the Corps, an elite body of druzhiniki would be selected from the most reliable employees and mobilized to guarantee order in the lines. At the head of this militarized organization of communications (the Corps and druzhiniki) would stand a Deputy Minister of Communications, entitled to make reports directly to the Emperor. Von-Vendrikh proposed that the Exploitation Corps be established by Imperial decree through Article 14 of the Fundamental Laws based on the Tsar's command of the armed forces, or through Article 11, since no existing laws would be violated by the creation of the new institution. The passage of a project violating the existing structure would have necessitated normal legislative procedure.[66]

This proposal must certainly have appealed to the military instincts of Emperor Nicholas. It represented an extreme organizational solution to the shortcomings of the communications system. By the simple concentration of authority into the hands of an experienced and energetic Commander with direct access to the Tsar, a unification of railroad activities could be achieved which would preclude a repetition of the chaos of 1904-06. Rationality, planning, efficiency, order—these were the goals expressed by Von-Vendrikh; but they would be attained by downgrading the more established

institutional structure, and by completely ignoring the new legislative institutions.

Certainly the other ministries could not hide their total opposition to a project which threatened to undermine the traditional bureaucratic structure. Kokovtsev criticized it initially on the grounds that considerable new expenditures would accompany the project. Furthermore, in opposition to Von-Vendrikh's suggestion, the project would definitely require the approval of the legislative institutions, which was not likely considering the lack of clarity of the proposals. His major point, however, was that organizational reshuffling was not an adequate approach to solving the problems of Russia's railroads. The obviously insufficient unity and coordination came rather from "the not always satisfactory actions of the managers of the institutions." This was to be remedied neither "by a mechanical reorganization of institutions, [nor] by a piling up of the new over the old, but rather by gradual and persistent work in improving the functioning of the latter." Von-Vendrikh's project was an "artificial superstructure over the edifice of the Ministry of Communications and could not be organically mixed with that Ministry." The creation of a Commander would lead to considerable complications over his relations with other leading officials and managers. Furthermore, the right of personal report to the Emperor, among other prerogatives, would be a contradiction of the powers of the Council of Ministers itself and could not be tolerated.[67]

Thus, Kokovtsev was fearful of any sweeping reform within the administrative structure, since this threatened established procedures of decision-making and policy implementation which the Finance Minister sought to protect. A new source of

authority such as the Exploitation Corps was for Kokovtsev just as great a revolutionary threat to stable and sound Government as the Duma was to bureaucrats like Goremykin and Shvanebakh. The Corps was a repudiation of the basic principles of the October 19 Manifesto fostering the authority of the Council of Ministers, within which framework the Finance Ministry could dominate budgetary affairs. In rejecting almost the entire project, with some inconsequential exceptions, the Council of Ministers supported Kokovtsev. It resolved that passage not only failed to promise "useful results," but in fact threatened "complications and dangers not only for the correct functioning of the railroad mechanism, but even for the general interests of the State order."[68]

To summarize, Kokovtsev's analysis was that the structure and organization of State railroads existing in 1907-08 were essentially adequate for conducting a rational exploitation. He felt that objective conditions, recent developments such as war, revolution and economic depression, as well as individual shortcomings within the individual lines accounted for financial and service failures. Surely the solution was not any dramatic transformation in the nature of the system managing the State's railroads. Particularly unwelcome would be any diminution of the role of the Finance Ministry. Rather what was needed was an intensification of efforts to root out waste and inefficiency in specific places; to combat disregard for the financial results of work by cutting superfluous credits, agencies and personnel, thereby forcing the executives

of the lines to live and operate within the means of the Treasury. Measures should be taken to make the existing system work better, rather than to change the system itself, or make new investments which would burden the Treasury and generally weaken the State.

Sources of Cooperation and Conflict

Representatives of the Finance Ministry, Ministry of Communications and State Duma all viewed the shortcomings of Russia's railroad system from different perspectives, and proposed solutions which tended to advance their own political and institutional aspirations within the reformed State system. Thus, Kokovtsev wanted to compress expenditures and protect his jurisdiction over railroad operations. Shaufus and Rukhlov had new investments and enhanced departmental independence as their highest priorities. The critics in the Duma and society spoke in terms of achieving greater efficiency and rationality by reorganizing the administrative institutions in charge of railroads, and by strengthening public influence at the expense of the bureaucracy. In holding to these positions, the various political and departmental groupings formed loose and shifting alliances with one another which were sometimes implicit and occasionally more open. The process of advocating and advancing their political and institutional goals led to conflicts and confrontations as well.

It should already be clear, for example, that in some respects the State Duma and Ministry of Communications were seeking common goals. Shaufus, Rukhlov and Budget Commission spokesmen all argued for the weakening of the inter-departmental collegial organs and for the transfer of jurisdiction over tariffs and ports to the Ministry of Communications. In this regard, they opposed the Ministry of Finances who sought to preserve controls over railroad operations.

Despite this basis for cooperation, however, during 1907-1908 the representatives of the State Duma and Ministry of Communications engaged in constant bickering and demonstrations of mutual disrespect. A notable example was the case of the so-called "constitutional ruble." As mentioned above, the staffs of the Ministry of Communications were largely fixed by temporary schedules established in May 1899 and set to expire in December 1907. However, the structure and maintenance of these staffs were continued in force for 1908 by Imperial command, on the basis of a Council of Ministers resolution made October 20, 1907. The Budget Commission brought attention to the illegality of this act, claiming that the existence of the Duma in session necessitated the passage of the staffs through normal legislative procedure. Although the Duma chose not to obstruct the passage of the illegally affirmed staffs, on the grounds that this would be very inconvenient for railroad operations and that the Government had promised permanent staffs soon, an

explicit demonstration of Duma prefogatives was made by the cutting of the symbolic ruble from the temporary staffs of 1908.[69]

Here was a case when the Ministry was indeed working on a project demanded by the Duma—one which would have won considerable support in public circles. And yet the Ministry's failure to respect legislative procedure led to irritation and a political demonstration of Duma prerogatives, rather than to harmonious relations. Much of the blame for this belonged to Minister of Communications Shaufus. According to Kokovtsev, he was diligent and sincere, but temperamentally and intellectually "ill-suited to the condition of legislative work."[70] Despite his own awareness that changes were needed in the structure of the Railroad Administration, he was incapable of coping with the kinds of pressures exerted by the energetic critics of the Duma who argued on the basis of new State principles, and who were most provocative in their attacks on his Ministry in particular.[71] Shaufus was certainly not complacent about the conditions of the railroads; his failure lay in an inability to adapt to a changed political context.

Shaufus was replaced by Sergei V. Rukhlov, a man far more attuned to the intricacies of public relations, in addition to having a genuine desire to mobilize active public assistance in remedying the shortcomings of State railroads (and other means of communications). Like his predecessor, Rukhlov continued to maintain that wholesale condemnation of the condition

of the railroad net was unwarranted, since many of the obstacles to better performance were beyond the control of his Ministry. Unlike Shaufus, however, he was more prepared to admit openly that the Ministry of Communications was itself guilty of weaknesses which could be attacked directly. Corruption in the center and on the lines had to be rooted out through administrative measures and the pressure of public disclosure; efforts were required to encourage initiative and hard work; and specific abuses such as the practice of allowing officials to ride free of charge had to be eliminated. Of great importance was his emphasis on the solution of these problems through joint Government-Duma activity.[72]

In his innaugural speech to the officials of the Ministry of Communications, Rukhlov highlighted a new approach to the relations between his institution and the State Duma and also outlined some of the goals which joint work should achieve. The primary one was reorganization which would promote greater independence of local line chiefs, thus allowing increased responsibility, accountability, initiative and sense of duty. The financial burden imposed by the State net could be eliminated by finding ways to improve the utilization of existing stock, as well as by cutting away unnecessary agencies and personnel. Related to this was the imperative of guaranteeing the accurate and lawful execution of the Ministry's annual budget. Deviations such as overexpenditures or illegal transfers of credit could not be tolerated. Partly for the consumption of public opinion, Rukhlov strongly emphasized that the desired improvements could only come about if

principles of "publicity" and "openness" were affirmed in principle and in deed. The leading railroad executives must welcome and participate in the debates generated within the new legislative institutions; the Duma must be treated with complete candor, honesty and respect, and given all necessary information.[73]

Rukhlov's public relations campaign, a combination of pragmatism and sincerity, helped to ease some of the open conflicts between his Ministry and the Duma. It led to some recognition within society that he was indeed concerned with cleaning up the Ministry and improving performance. The improved climate did not, however, contribute appreciably to any gains for the Ministry of Communications in terms of increased budgetary allocations—one of the major aims of both Shaufus and Rukhlov. The goal of greater investments actually clashed with the Duma's determination to cut the estimates of those departments which were not functioning correctly. This was done from an awareness of the Treasury's lack of funds, and from an insistence that before being awarded substantial new credits the departments must show not only a willingness, but a capacity to use them efficiently and productively. Although the trend of cutting was certainly not free from exceptions, which were permitted largely on the grounds that the operations of a given department would deteriorate completely without the requested credits, many Government agencies did fail to receive new funds. The Ministry of Communications in particular was subject to such forms of legislative punishment during the years 1907-1909.

For example, the Duma used its power of the purse in dealing with the Administration of Internal Waterways and Roads—part of the Ministry of Communications. In 1908, 3.2 percent of the departmental request was cut by the Duma, and in 1909, 4.6 percent, with the greatest burden being felt by requests for funds to finance surveys (23.1 percent in 1908). The latter was an activity which the Duma constantly expressed interest in accelerating, but for which a rational and coordinated plan of action based on sensible priorities was a prerequisite to increased appropriations.[74]

In regard to the far more significant Chief Administration of Railroads, the Duma also followed the advice of the Budget Commission and insisted that performance be improved internally, rather than through monetary transfusions which would only be used unproductively under existing procedures and organization. Although the Commission was forced in 1908 and 1909 to acknowledge and accept governmental estimates of increased operating expenses for the exploitation of the roads, it was far more stringent with requests for new credits not directly related to covering current operations. Thus, the appropriations on strengthening and improving the State lines were cut from 26.9 million in 1907 to 23.5 million in 1908. Similarly, expenditures for the acquisition of moving stock remained almost unchanged in 1908, and then began to fall sharply throughout the entire third Duma tenure.[75]

The latter categories were precisely those which the Ministry of Communications sought to increase through enormous

new investments. Clearly even if the 916 million ruble project had reached the Duma floor (an eventuality prevented by the Ministry of Finances), it would not have received legislative authorization. Not only was there an acute awareness of the financial limitations of the moment; more important, the five-year fixed budget would have been objectionable from the viewpoint of legislative prerogatives. At a time when the Duma was asserting its capacity for responsible work and its authority in the State system by exposing and enforcing rectification of administrative shortcomings, the limitation of legislative control explicit in the maximum budget would hardly have been acceptable. The entire thrust of Duma criticisms, resolutions and actions was toward making the administrative agencies utilize existing resources more rationally and efficiently. The bureaucracy was not to be rewarded for its past abuses with a financial carte blanche. The appearance of the more palatable Rukhlov on the scene could not change the Duma's determination very easily.

In this instance, the Duma's assertiveness of constitutional prerogatives, translated into criticism of the Ministry of Communications and cuts in its appropriations pending internal improvement, actually complemented the efforts of Finance Minister Kokovtsev to protect Russia's national interests as he saw them. It is not without significance that the Finance Minister quite intentionally violated interdepartmental secrecy by proclaiming openly his opposition

to the 916 million ruble program before the Duma Finance Commission.[76] The records of ministerial budgetary proceedings were supposed to be kept secret from the legislative bodies; Kokovtsev usually insisted on this, and refused to grant the Duma permission to see journals of interdepartmental conferences. But here, open opposition and propogandizing against a "dangerous" project before a Duma commission which could be expected to share opposition, for whatever reason, was clearly advantageous to Kokovtsev.

However, this unity on the specific question of appropriations to the Ministry of Communications did not prevent serious conflicts between Kokovtsev and the Duma on matters of prerogatives and jurisdiction over railroad affairs. In addition to making cuts or refusing increases in funds where this was unquestionably permitted by law (and encouraged by Kokovtsev), the Duma also attempted to expand its legislative budgetary prerogatives into more controversial areas. This led inevitably to the raising of "constitutional" issues and a stern reaction from the Government. An example of such Duma assertiveness was the campaign to make the granting of Government guarantees for private railroad construction a matter of normal legislative procedure. Many Russian public activists opposed the views of the Association of Industry and Trade by voicing a preference for State railroad operations, on grounds of potential financial benefit and the need for Government control over an enterprise crucial to Russia's national interests.[77] Supporters of the interests of the

Treasury over those of private companies complained that the existing mechanism for providing guarantees led to exploitation of the State's financial resources, and thus required modification.

The question of whether the granting of Government guarantees on securities floated for private railroad construction required legislative procedure or administrative authorization (through the nonelective Second Department of the State Council) was a matter of controversy as early as 1905. The Bulygin Duma project had envisioned giving the Popular Assembly the right to discuss matters of railroad construction, but the Regulations of August 6, 1905 and February 20, 1906 removed matters of private construction from legislative review. In its own internal set of rules and regulations (the nakaz), the first Duma held that private railroad construction under State guarantee was indeed an area which the Duma was entitled to discuss; it was a form of credit operation which required legislative approval. The Senate disputed this interpretation and ordered the second Duma to revise the nakaz, but the Assembly did not comply with this demand. This failure led to renewed legal battles in 1907, with significant financial and political consequences. The controversy was made especially intense by the refusal of the French government, dedicated to the establishment of parliamentary forms in Russia, to allow the floating of guaranteed railroad securities on the French exchange without Duma assent. A furious diplomatic offensive by the Russian

Government, especially after it strengthened itself with the June 3, 1907 coup, finally led to French capitulation. International alliance was clearly more important a goal than parliamentary principles.[78]

The French failure to continue supporting the Duma did not lead to acquiescence on the latter's part, as evidenced by the introduction of interpellations by the Kadets and Octobrists demanding that the guarantee of Treasury funds follow legislative procedure. Golos Moskvy justified the interpellation on legal grounds as well as by the fact that foreign money markets would have more faith in a guarantee which had been scrutinized and approved by the State Duma. It was hoped that at the very least, the Finance Ministry might be induced to inform the Duma of guarantee operations in advance, in order to avoid unpleasant surprises.[79] In 1909, the Octobrists held a caucus which continued to support the wording of the previous year's interpellation; this was reaffirmed by Alekseenko and the Kadet Shingarev in the sessions of the Duma.[80]

Some attempt was made after this session to compromise with the Government, since the latter was adamant in its opposition to the wording of the interpellation. The result was the passage on May 8, 1909 of a formula merely calling on the Government to introduce a project changing existing procedures. This was passed with the support of Moderate Rightists and many Octobrists, although a number of leading Octobrists (including Alekseenko) continued to support the earlier

interpellation and labeled this formula a retreat. The Government fulfilled its promise in 1910 by submitting a project which would allow Duma and State Council deputies chosen by the Tsar to deliberate with the Second Department, although Imperial decree would decide the matter as before. The more militant Finance Commission of the Duma under G. G. Lerkhe rejected this proposal and argued once again for normal legislative procedure. Kokovtsev withdrew the project and did not consider it necessary to introduce another one later, thus leaving the procedure unchanged and completely unsatisfactory to those seeking the affirmation of legislative prerogatives. As we have already seen, Kokovtsev put definite limits on how far he would permit the extension of new prerogatives in the area of the budget. Equally important, he had reason to believe that changes in procedure and jurisdiction were not the answer to the problem of making guarantees less burdensome to the Treasury.

The most significant and politically explosive assertion of Duma prerogatives came in April 1908, during legislative discussion of the estimates of the Chief Administration of Railroads. The issue was raised by the Budget Commission, which urged as one of its recommendations the creation of a special conference through normal legislative procedure to supervise an intensive investigation of all aspects of railroads in Russia. The controversy, affecting relations within the Duma, and between the Duma and the Government, was not over the desirability of investigation, but rather over the nature

of the institution in charge of the matter; its powers, composition and origins.

In his initial remarks to the Duma, Kokovtsev maintained that a thorough investigation of the conditions of railroad exploitation in Russia was badly needed; for this reason the Government was considering plans for such an inquiry, to which all knowledgeable and interested public men (including Duma members) would be invited for consultation. He went on to state, however, that from the points of view of legality and expediency, the commission must be initiated and directed by the Administration rather than the Legislature. No new law was required to authorize the formation of an investigatory institution (anketa); it was a governmental affair which could be handled with a minimum of delay.[81]

It seems clear that the Government's fears of a test of prerogatives were justified in light of earlier mention within the press of the implications of special commissions. In January, the Octobrist Eropkin had declared that the powers of the Duma must be widened in order to establish unobstructed and factual control over railroad administration; this was not to be done through the reports of the existing State Control, but perhaps by means of "special parliamentary commissions."[82] Later in March, when the idea of some sort of anketa was being widely discussed, Eropkin claimed not to doubt for a moment that a parliamentary investigatory commission would inevitably carry with it "parliamentary inspection and control over the railroads and moving stock."[83] Certainly the anketa was at

the very least a powerful instrument which might promote a goal expressed in Golos Moskvy; that of making the Ministry of Communications a "fully accountable manager of railroad affairs—before the nation and Duma."[84]

The subsequent Duma debate revolved around consideration of the positions stated by the Budget Commission and the Finance Minister. The Rightists opposed the formation of a legislatively sanctioned investigatory body as a mixing of legislative and executive functions, although even they wanted to safeguard Duma rights by insisting that its representatives be elected rather than chosen to participate by the Government.[85] The Octobrist Count A. A. Uvarov emphasized that he had no dogmatic preferences about the origins of the anketa; he was concerned only with guaranteeing the rights of the State Duma in its relations with the proposed commission. The Government was too vague about the composition, leadership and means of securing public participation; there must be assurance that public-Duma forces and ideas would be represented meaningfully. Considering the fact that legislative procedure was not, after all, an act of aggression or coercion against the executive branch, Uvarov would support the Budget Commission formula, at least until the questions he raised were clarified.[86]

Miliukov, representing the Kadets, went considerably further than Uvarov in denouncing any form of departmental commission (vedomstvennaia komissiia) with invited experts as totally inadequate, and in insisting that the proposed anketa

be made up of national representatives alone. The more aggressive Kadet posture put them into a temporary and uncomfortable alliance with Kokovtsev in opposing the formula's insistence on legislative procedure. Miliukov's opposition, however, was based on an interpretation of the law which held it entirely possible for the Duma to create an investigatory commission on its own volition, as it did other internal commissions. By declaring that legislative initiative was needed, the Budget Commission was actually limiting the powers of the Duma.[87]

Kokovtsev immediately seized the opportunity to reiterate that the Government, like the Kadets, was opposed to the use of normal legislative procedure. He was advocating neither a standard Duma commission nor a traditional departmental one, however. Rather, Kokovtsev favored a wide ranging institution with the wide participation of public forces and Duma experts; a body unique in purpose and mandate. The pressing issue was not the method of selection, but rather the launching of an investigation with all possible speed, through administrative decree. In his efforts to equate the Government's position with a genuine concern for action over abstract principles, Kokovtsev then got carried away and made a remark which seemed to negate his call for cooperation. Condemning the interpretation of the rights of internal commissions stated earlier by the Kadets, Kokovtsev declared that it was senseless to speak of parliamentary investigatory bodies in Russia. The reason: "Thank God we still have no Parliament."[88]

No remark could have better served to mobilize the Duma's moderates behind the defense of legislative rights and prerogatives, and to create tension between the Government and its associates in the Duma. The following day Count Uvarov wondered openly how Stolypin's frequent assertions regarding the existence of a legislative structure could be reconciled with Kokovtsev's statement. Where, the Octobrist asked, did Kokovtsev think he had been speaking—in one of his Ministry's offices? As distressing as this incident was, however, Uvarov counseled that it would be best to try to forget it, to put it in the past.[89] The official response of Golos Moskvy was measured and firm, but restrained in its anger. The editorial professed bewilderment at Kokovtsev's statement, considering the fact that it was uttered while standing before the very parliament whose existence he denied. However, it went on, such words and incidents should be viewed as characteristic phenomena of a transitional age; after all, how could a talented and noted fighter for the old regime like Kokovtsev change his thoughts and feelings in response to the new bases of the State system. It was not really surprising that he had shown "insufficient respect" for such an exalted institution as the State Duma, "the source of the rejuvenation of the system."[90]

There were definite limits, however, to how far the Octobrists were willing to pursue the issue of respect for Duma prerogatives at this time. On the 25th of April, Duma President Khomiakov had called Kokovtsev's words "unfortunate."

This prompted Stolypin to condemn public criticism of Tsarist ministers from the Duma podium, and to hint at the possibility of his own resignation. Khomiakov reconsidered the consequences of his statement for Government-legislative relations and decided to make a retraction. Golos Moskvy expressed the view that the incident had certainly blown up out of proportion to its importance, and that no expression of lack of confidence in the Council of Ministers had been intended which should prompt the Chairman's resignation. Such a step by Stolypin would surely lead to increased pressure to dissolve the Duma—a most undesirable prospect. It was better for Khomiakov to make concessions to Kokovtsev's pride and in this way clear the storm clouds. In fact, stated the editorial in an obvious attempt to cover up a clear rebuff, the position of the State Duma had never been stronger than at the present moment, as evidenced by Khomiakov's cordial session with the Tsar soon after the incident.[91]

In their efforts to back away from a confrontation with the Government over the language used by Kokovtsev, the Octobrists did not go so far as to concede on the issue of the anketa. During the session of April 25, Uvarov and Count Meiendorf repeated the position that a purely governmental commission would have inadequate authority in the country, but that a regularly constituted Duma commission would also be insufficiently prestigious and powerful. Since no other means of organizing an anketa were specified clearly in the Russian State system, it was the task of legislative procedure

to define the powers and goals of the proposed investigatory body.[92] As a consequence of the events of the preceding day, the Moderate-Rightist leader Bobrinskii and Miliukov himself switched over to support the Octobrist position. The former argued that this was the only course between the stubbornness of the Government and extremism of the Kadets, while Miliukov explained his shift as a choice between two evils; it was better to be aligned with the Octobrist and Moderate Rights for legislative procedure than with the Government and Rightists against it.[93] As a result of these shifts, the Duma accepted the Budget Commission formula demanding a special anketa to be established in normal lawful procedure, against the continued opposition of the Minister of Finances.

According to Kokovtsev, Khomiakov's retraction "closed the incident" and ended the controversy over the creation of an investigatory commission.[94] In fact, the memories were never to completely fade away, since the Finance Minister's remarks would be used against him innumerable times as evidence of his reactionary attitude toward the Duma, thus having an impact on his future dealings with it. From the viewpoint of party politics, the Kadets were forced into the embarrassing situation of having to change positions from one day to the next, while the Octobrists established themselves as defenders of parliamentary rights. It was also made clear, however, that the Octobrists felt dependent on the progressive forces within the Council of Ministers, and would take steps to avoid direct confrontations.

The importance of the events of April 24-25 transcends inter-party politics. Seen within the context of Duma assertiveness on all matters of State finances and economics, they revealed a major ideological commitment to legislative prerogatives as a necessary vehicle for order, efficiency and rationality of State institutions. Belief in the primary of obshchestvennost' over the traditional bureaucratic structure was an important factor underlying the attitudes and activities of public "constitutionalists." It created a constant tension between the demands of liberal and moderate society for reform and progress on the one hand, and the possibility of any system dominated by bureaucracy satisfying these demands without simultaneously relinquishing its own power. The insistence upon a legislatively sanctioned and organized anketa epitomized the contraposition of society and administration as bases of state life competing for influence and direction over the critical institutions of Government. The underlying premise behind the Duma's demand was that the existing apparatus, as currently organized and constituted, could hardly be expected to make a serious effort at thorough self-investigation; nor could it be a likely source of significant initiatives and reforms in the reordering of State economic enterprises.

State Railroads: Progress and Politics

Kokovtsev did not feel bound by the Budget Commission formula on the anketa, and proceeded to establish one by

administrative decree, rather than by legislative procedure. However, the use of Government fiat did not signify a lack of willingness on Kokovtsev's part to carry out a rigorous investigation of railroad affairs. Th official investigatory commission established on September 21, 1908 was given a wide mandate for action, including: examination of the degree to which Russia's railroads satisfied economic, political and strategic needs; clarification of financial conditions of the net and proposals for reducing deficits; evaluation of existing local and central organization; and finally, elaboration of possible changes in railroad statutes, laws and regulations which might be needed. The main conference was to divide itself into specialized subcommissions, carry out thorough investigations in local areas, and then submit their findings to the Chairman of the Council of Ministers who would proceed along normal executive and legislative lines. The anketa was headed by the universally respected railroad expert G. P. Petrov, and consisted of several Government officials, along with elected representatives of the State Duma, State Council, and private railway companies.[95]

The composition and mandate of the anketa show that Kokovtsev wanted neither to exclude public men from State life nor to repudiate the Duma as a factor in railroad affairs. He valued the Legislature as a force promoting accountability, control, order and regulation of financial transactions—goals which were pursued by Kokovtsev himself within the

administrative apparatus. He also had reason to believe that the Budget Commission of the Duma under Chairman Alekseenko would help him to resist the inevitable demands for new investments in the State net. Cooperation between the Government and the Duma was desirable, as long as such cooperation fell under the rubrik of legitimate duties and responsibilities. This was affirmed at a session of the Council of Ministers in January 1910, when it was resolved that ministries (particularly the Ministry of Communications) could not refuse the Budget Commission information when the issue at hand fell legally under the Duma's purview.[96]

It was in the definition of that purview that conflicts arose. Kokovtsev never ceased to associate the traditional bureaucratic structure of Government with rationality and the proper coordination of overall State interests; the Finance Ministry in particular had the task of reconciling particularist interests and adjusting them to the "national good." He could not give exaggerated importance to the role of obshchestvennost' in reordering State life. Kokovtsev therefore denounced what he considered the "incorrect idea of correlating the participation of public groups on the one hand and the financial apparatus on the other...." They ought not to be treated as equal participants in railroad affairs since

> ...public organizations pursue their own special aims in relation to railroads, and participation of the said representatives in collegial bodies can in no way help the Ministry of Finances in the resolution of questions of railroad administration and economy....[97]

Although here referring specifically to the participation of zemstvos and municipalities in collegial decision-making, it seems by implication that the State Duma and other public organizations were also classed in the category of narrow special interest groupings. In all their interactions, the Administration (and when relevant, the Finance Ministry) had to be considered the dominant element in the formulation of policy and the direction of State life. In matters affecting the railroad net therefore, the existing framework of functions and powers was a satisfactory one, since it preserved for the Finance Ministry the ability to define and impose its conception of a sound "national policy."

To a significant degree, the changes in the condition of the railroad net during the period 1908-1912 (coinciding with the third Duma's tenure) vindicated Kokovtsev's resistance to major organizational and jurisdictional innovations which had been declared indispensable by the Duma and Ministry of Communications. There is considerable evidence that State railroad performance improved dramatically in terms of both service and financial results. The Treasury began to benefit from a far more efficient utilization of credits assigned to the State net as well as the increased capability of the net to serve a rapidly expanding commercial life after 1909. Table IV shows a stabilization of expenditures for the exploitation of the roads (with a slight jump in 1912), accompanied by a substantial increase in the receipts brought to the Treasury from operating the State railroad system.

TABLE IV

RESULTS OF EXPLOITATION OF STATE RAILROADS FROM DATA OF THE STATE CONTROL 1908-1912 (WITH 1911-1912 ONLY APPROXIMATE)

(In Millions of Rubles)

	1908	1909	1910	1911	1912
Revenue from exploitation	542.124	586.047	630.533	696.101	741.984
Expenditures on exploitation	444.985	437.168	432.828	423.896	453.683
Net receipts	97.139	148.879	197.305	263.205	288.301
Payments on capital	201.636	208.163	212.765	215.830	219.298
Net profit	--	--	--	47.375	69.003
Deficit	104.487	59.284	15.108	--	--

Source: Gosudarstvennaia Duma, Doklady biudzhetnoi komissii. Chetvertyi sozyv, sessiia vtoraia. 1913-1914 (St. Petersburg, 1914), no. 21, p. 7.

An additional gauge which shows the improvement in exploitation of the railroad net is the coefficient of expenditures over revenues outlined in Table V. These figures indicate a substantial rise in the ability of the State lines to earn increased revenues per unit of expenditure. It should be noted that the performance of the Government-owned lines, especially in Europe, was much closer to that of the private lines by 1912, despite the special disadvantages they faced.

TABLE V

COEFFICIENT OF EXPENDITURES OVER REVENUES, 1908-1912

Year	State Net (European)	State Net (Asiatic)	State Net (Total)	Private Net
1908	75.4	116.3	80.8	70.0
1909	67.9	107.6	73.0	63.9
1910	62.8	94.0	67.0	58.5
1911	57.1	83.3	60.7	56.5
1912	55.5	78.0	58.7	54.3

Source: TsGIA f. 229 op. 4 d. 716 ll 13, 263.

In regard to private roads, it is interesting to note that they became much less a burden on the Treasury during the years under review, despite the fact that procedures regulating the Government's relations with private companies remained largely unchanged. Table VI shows the benefits of improved private railroad profits for the State Treasury.

Of great importance was the evidence that financial success was not being achieved at the expense of service to agriculture, commerce and industry. In fact, a number of

indicators pointed to great improvements in coping with an enormously increased demand for railroad service after 1909 through the raising of the density of exploitation. Moreover, despite increased utilization there were fewer cases of unsatisfactory operations. Most noteworthy was the differential in numbers of grain wagons left at stations so long that contents perished; 200,000 in 1906 as opposed to 24,000 in 1912, with the latter being negligible considering the daily freight load of the net at peak periods (40,000 wagons).[98]

TABLE VI

RELATIONS BETWEEN PRIVATE RAILROAD COMPANIES AND THE TREASURY

(In Millions of Rubles)

	1904	1905	1906	1907	1908	1909	1910	1911	1912
Advances made by the Treasury for interest and amortization on guaranteed stock	7.9	6.8	8.0	21.8	16.5	28.2	8.3	3.9	2.6
Reimbursements to the Treasury and State participation in profits	8.5	0.6	2.1	3.5	4.1	14.4	29.0	29.9	36.1

Source: Alexander Michelson, Russian Public Finance, p. 59.

Thus, in the course of five years the State railroad lines had managed to achieve greater efficiency of operations; service actually improved while new investments and reorganization were avoided. Naturally the Government and its spokesmen attempted to take credit for the successes, and thus tended to ignore their initial pessimism about the prospects

of obtaining surpluses from the exploitation of the net. A Government sympathizer, the engineer F. I. Shmidt, acknowledged that improvements were partly the product of the passage of time after revolutionary disturbances, as well as the recent economic boom, but also gave considerable credit to the abilities of Tsarist railroad officials. He lauded their efforts at lowering the costs of fuel and introducing technical innovations such as more modern wagons and engines. The lines deserved praise for their much more efficient utilization of existing rolling stock and locomotives.[99] The Ministry of Communications also pointed to the more efficient operations of the lines as a major factor in cutting of costs, particularly on fuel. These fell from 79.7 million rubles in 1908 to 69 million in 1911, chiefly as a consequence of more efficient utilization as well as through the exertion of the Ministry's enormous market power to get favorable prices. This was considered an important achievement in light of the substantially increased railroad traffic which the fuel had to maintain, in addition to the nationwide problem of generally rising fuel prices.[100] Apparently forgotten by the representatives of that Ministry was their insistence in 1907-1908 that new investments were a precondition for improved performance, or their complaints that lack of adequate departmental independence made productive work all but impossible.

The trend in the direction of improved railroad performance was an obvious repudiation of the view expressed in the

Duma that the existing structure's inadequate organization and low levels of public participation precluded progress. Clearly the dire predictions of total ruin had not been fulfilled. With varying degrees of enthusiasm, representatives of parties which were highly critical and pessimistic in 1907-08 acknowledged that the Government deserved credit. The Rightists and Nationalists were most consistent and unequivocal in their reaction: lavish praise for the Administration and jubilation over financial surpluses and improved service.[101] Even such an ardent constitutionalist as A. Shingarev admitted rather reluctantly that the Ministry of Communications had "somewhat cleansed itself and become a little bit better; that exploitation [was] cheaper, the revenue bigger."[102] The Kadet Kutler also recognized that the trend was now for the State railroads to provide an increasingly important share of the revenues of the Imperial budget.[103] In 1911 the Octobrist Alekseenko, whose praise was less guarded than that of the KDs, commented that the results of the previous year should be gratifying to Rukhlov's Ministry, since there had been a "significant turn in the state of our railroad affairs."[104]

However, while recognizing the achievements of the Ministry, the Duma members did not change their evaluations of the importance of public participation as opposed to bureaucratic management. In fact, most of the achievements were credited to the assertion of whatever limited power the Duma could muster, rather than to initiatives originating

within the Government apparatus. Shingarev claimed that the improvements were due to the "persistence of the Budget Commission and Duma," although they were not really satisfactory since the latter lacked adequate powers. Eropkin also maintained that State economy continued to be wasteful, but that the area of special Duma attention, the railroad system, had witnessed dramatic gains. Implicit is the assumption that an increased Duma role would have led to even more positive results. Alekseenko as well attributed many of the beneficial financial and economic achievements to the Duma's insistence on greater efficiency, and to its pressure for an investigatory commission in 1908.[105]

Despite the lingering complaints about inadequate Duma powers, the very act of claiming a major role in concrete improvements reinforced the tendency to work within the system, with all its imperfections. Such praise for the achievements of the Duma also served to weaken the arguments of those who asserted that the Legislature was impotent due to repressive laws and bureaucratic intransigence. True, the dramatic legal and institutional changes demanded initially had not been won. Yet the Duma had managed to make its presence felt—to influence the course of railroad affairs in a positive way. This sense of participation and accomplishment felt by members of the Duma was reinforced by representatives of the Government who were ready to give public participation considerable credit. Rukhlov noted in 1910 that it was partly through adherence to the recommendations of

the Budget Commission for specific remedies to inefficiency that the Ministry had discovered new means of performing better.[106] In the fourth and fifth sessions of the third Duma's tenure, the list of achievements was presented by the Chief of the Railroad Administration Kozyrev, who pointed to numerous indicators of success, and to concerted efforts of the Administration to meet the suggestions of the Duma. In his last message, Kozyrev stressed that there was much to be done, but that in any event there was ample cause for mutual satisfaction.[107]

Some of the more alienated Duma constitutionalists continued to minimize the successes achieved, or at least sought to find explanations which would not be supportive of the Government. Thus the left Kadet Nekrasov insisted that the financial surpluses from road exploitation were largely a by-product of brilliant harvests in 1909-1910 and the economic boom which began at that time. Certainly the representatives of the Government and more conciliatory Duma members did not deny the importance of improved economic conditions; they did not, however, use this fact to exclude praise for the policies and personnel of the Administration. In regard to this question, it should be recalled that the assumption of many critics in 1907-1908 was that the bureaucratic structure of the State railroad apparatus seemed incapable of taking advantage of any promising developments in the economy, the very developments which were now being given great weight in explaining surpluses.

The tendency to disparge improved railroad performance took other forms as well. Nekrasov raised doubts about the accuracy of the Administration's data on revenue collection, although independent sources seemed to support an optimistic picture. Equally important, he questioned whether budget surpluses were a sufficient criterion for judging performance of the State roads, and in fact raised the point that financial results were not even a primary goal. Highest priority had to be given to increasing the number of roads, which might lead to deficits in the short term.[108] Nekrasov and his fellow Kadets had been active in the chorus which earlier declared lack of revenues a prime issue, a clear manifestation of bureaucratic ineptitude. Now that the financial picture had improved dramatically, they attributed this to harvests, and went even further by downgrading the value of financial success as a criterion for judging the Government. This form of criticism was closely linked to the argument which arose in regard to the tax reform projects; that even budget surpluses were not to be lauded uncritically if these were held by a Government which did not use them for productive purposes. In a type of dialectical process, the very success of the Railroad Administration in achieving budget surpluses had now exposed it to a wider series of charges that surpluses were not primary, and that they were being used unproductively.

Despite such negativeness, it seems undeniable that by 1912 much of the criticism emanating from the Duma and

society on matters of railroad exploitation had become far more restrained, formalized and undramatic.[109] Certainly the Budget Commission had not abandoned what the Octobrist Dmitriukov stated was its primary goal—not to "sing the priases of the Government, but seek out shortcomings."[110] This was still being done, but the emphasis had shifted from general condemnation of the system to means of overcoming specific weaknesses. The major point is that no one could claim that the nature of the railroad structure had changed sharply during the years 1907-1912, in the sense of transferral of power and prerogatives. And yet few could now deny that the potential for improved performance existed within a Government structure still dominated by the bureaucracy, as opposed to obshchestvennost'. To a significant degree, Kokovtsev had attained what he sought from the beginning, despite the political explosions of 1908—constructive work (and even some praise) from society and the Duma within a framework still controlled by the Ministry of Finances. The political and institutional tensions which had erupted most openly in 1908 had certainly not disappeared; the Duma and society had not rejected their earlier contention that obshchestvennost' was superior to bureaucracy in directing rationalization and modernization. However, in the area of railroad management, deemed critically important in 1907-1908, success stifled tensions and lessened the justification for systematic changes or major transfers of institutional prerogatives.

Footnotes

[1]An official United States Government publication Commercial Russia in 1904 noted the uniqueness of the role of Russia's Government in economic life: "Never, perhaps, in the history of mankind has the activity of a Government in the purely industrial field been broader and more all-embracing than during the recent period of Russian history. The Russian Government, with the aid of the central State Bank, controls the financial position of the country. It owns two-thirds of the entire railroad system and seven-eights of all telegraphs. Almost one-third of all the land (i.e., in European Russia alone) and two-thirds of the forests are still under its direct management. It owns the most valuable mines, buys and sells spirits monopolistically. The Russian State is itself the biggest landowner, capitalist and entrepreneur in the whole world." Quoted in Ruth Amende Roosa, "Russian Industrialists and 'State Socialism,' 1906-1917," Soviet Studies, No. 3 (1972), pp. 396-397.

[2]Proposed Budget, p. 68. Unless otherwise noted, the following outline of the types of economic enterprises conducted by the Government comes from ibid., pp. 50-60 and Michelson, Russian Public Finance, pp. 52-61.

[3]For a discussion of the decision to build the first railroad (from Petersburg to Tsarskoe Selo opening in the fall of 1837) see Pintner, Russian Economic Policy, pp. 131-142.

[4]Von Laue, Sergei Witte, p. 12.

[5]Ibid., pp. 265-266.

[6]V. V. Zhuravlev, "Natsionalizatsiia chastnykh zheleznykh dorog v SSSR," Istoricheskie Zapiski, No. 86 (1970), p. 61.

[7]Pogrebinskii, Ocherki, p. 143.

[8]Ibid., pp. 148-160.

[9]Proposed Budget, pp. 53, 59-61.

[10]Promyshlennost' i Torgovlia, No. 5 (1909), p. 280. The Duma reporter Vasil'ev noted that almost all the interpellations were being directed at the Ministries most directly involved in finances and economy, especially the Ministry of Finances and the Ministry of Trade and Industry. Moskovskii Ezhenedel'nik, No. 1 (1908), p. 57.

[11]Avinov's remarks were made in Moskovskii Ezhenedel'nik, No. 18 (1908), while Alekseenko's are in Izvestiia Soiuza 17 Oktiabria, Seriia 2, No. 4 (1908-1909), p. 179.

[12]On the Forest Department see Duma, Otchety. Soz. III, ses. 1 (March 28, 1908), cols. 1177-1181 and ibid., ses. 2 (December 15, 1908), cols. 2726-2767. On the Department of Mines see ibid., ses. 1 (May 7, 1908), cols. 69-75. For comments on the inadequate utilization of riverways see ibid., (April 2, 1908), cols. 1625-1637.

[13]The estimates for 1907 and 1908 were ca. 54.3 and 58.4 million rubles. Proposed Budget, p. 68. The expenditures for the Forest Department were as follows: 1904-11.1 million, 1905-10.2, 1906-10.7, 1907-12.3, 1908-12.2. The forests did at least provide the Treasury with net revenues. Michelson, Russian Public Finance, p. 55.

[14]Duma, Otchety. Soz. III, ses. 3 (March 15, 1910), cols. 761-769.

[15]Ibid., ses. 1 (May 7, 1908), cols. 69-75.

[16]Golos Moskvy, March 20, 1908.

[17]Sergei Witte's optimistic appraisal as well as the views of his critics are described in Von Laue, Sergei Witte, pp. 281-283. A brief statement arguing that there indeed were chronic deficits from the Treasury's involvement in railroads is found in Pogrebinskii, Ocherki, pp. 206-207.

[18]1904-63 million, 1905-89.5 million, 1906-113 million, Ministerstvo finansov, Ministerstvo finansov 1904-1913 (St. Petersburg, 1914), p. 85.

[19]M. Fridman, "O prichinakh ubytochnosti nashego zheleznodorozhnogo khoziaistva," Vestnik Evropy, Vol. VI (1909), pp. 734-735, "Vtoraia duma. Rabota biudzhetnoi

komissii," Vestnik Evropy, Vol. XLII (1907), p. 350 and Duma, Otchety. Soz. II, ses. 2 (March 20, 1907), cols. 822-823.

[20]Speech by L'vov, Duma, Otchety. Soz. III, ses. 3 (February 13, 1910), col. 1291.

[21]Ibid., (March 15, 1910), cols. 761-769.

[22]Sheideman's remarks in ibid., ses. 1 (May 7, 1908), cols. 69-73 and Shingarev's in ibid., col. 103.

[23]Ibid., (March 27, 1908), col. 992. This point was reemphasized during the following session, ibid., ses. 2 (December 12, 1908), cols. 2585-2587.

[24]Ibid., ses. 1 (April 2, 1908), cols. 1625-1632.

[25]Moskovskii Ezhenedel'nik, No. 22 (1908), p. 18 as well as similar sentiments of Shingarev found in Duma, Otchety. Soz. III, ses. 2 (February 16, 1909), col. 1670.

[26]TsGIA f. 229 op. 3 d. 9 ll. 86-87.

[27]Ibid., ll. 87-88. The Association's journal repeated this message on a number of occasions, for example, Promyshlennost'i Torgovlia, No. 14 (1909), p. 58 and ibid., No. 7 (1910), p. 450.

[28]Golos Moskvy, February 29, 1908.

[29]Duma, Otchety. Soz. III, ses. 1 (April 24, 1908), col. 1912. For similar observations made by the Budget Commission of the second Duma see "Rabota biudzhetnoi komissii," Vestnik Evropy, No. 11 (1907).

[30]See Markov's speech in Duma, Otchety. Soz III, ses. 1 (April 24, 1908), cols. 1906-1912 and that of Gertsenvits, ibid., cols. 1965-1970. The Association of Industry and Trade also noted the desirability of abolishing "any bureaucratic councils and committees" which obscured the authority and accountability of railroad executives. TsGIA f. 229 op. 3 d. 911 l. 88.

[31]Nekrasov's remarks are in Duma, Otchety. Soz. III, ses. 2 (March 16, 1909), cols. 893-901 and those of Gertsenvits in ibid., (April 10, 1909), cols. 1603-1613, 1700-1703.

[32]Ibid., ses. 1 (April 24, 1908), col. 1970. This was noted by Shingarev as well, ibid., cols. 1946-1953.

[33]For the attitudes of the big industrialists see Ruth Amende Roosa, "Russian Industrialists Look to the Future: Thoughts on Economic Development, 1906-1917," Essays in Russian and Soviet History (ed.), John S. Curtis (New York, 1963) and Roosa, Soviet Studies, No. 3 (1972).

[34]"Kazennoe i chastnoe zheleznodorozhnoe khoziaistvo," Promyshlennost' i Torgovlia, No. 22 (1908), pp. 521-525.

[35]G. Kh. Maidel, "Kazennoe ili chastnoe zheleznodorozhnoe khoziaistvo," Promyshlennost' i Torgovlia, No. 18 (1909), pp. 274-275.

[36]G. Kh. Maidel, "Neobkhodimost' chastnogo Zheleznodorozhnogo khoziaistva," Promyshlennost' i Torgovlia, No. 19 (1909), pp. 344-347. The Association was even more vehement in its condemnation of State factories, which it believed should be liquidated. D. Karnitskii, "Kazennye gornye zavody, "Promyshlennost' i Torgovlia, No. 19 (1909).

[37]Roosa, Soviet Studies, No. 3 (1972), pp. 398-399.

[38]Duma, Otchety. Soz. III, ses. 2 (March 16, 1909), cols. 783-785, ibid., cols. 884-892, and ibid., (December 12, 1908), cols. 2592-2596, 2606-2608.

[39]Ibid., ses. 1 (April 2, 1908), col. 1643.

[40]TsGIA f. 229 op. 3 d. 911 ll. 1-2.

[41]This list was compiled from several ministerial statements, the most important being found in ibid., ll. 2-4, ibid., op. 4 d. 706 ll. 8-11, 262, Duma, Otchety. Soz. III, ses. 1 (April 24, 1908), cols. 1912-1921 and Promyshlennost' i Torgovlia, No. 9 (1908).

[42]G. Taube, "Nashi puti soobshcheniia," Moskovskii Ezhenedel'nik, No. 15 (1908), pp. 10-12. The project, "Proekt programmy deiatel'nosti ministerstva putei soobshcheniia," is in TsGIA f. 229 op. 3 d. 897 pp. 1-20. This document is not dated, but external evidence indicates that it was completed by the middle of 1907.

[43]TsGIA f. 229 op. 3 d. 897 p. 19.

[44]Ibid., pp. 4-11. A general outline of the measures needed for waterways and roads was also included in this project.

[45]Ibid., d. 911 l. 93.

[46]Ibid., ll. 6-7.

[47]Ibid., ll. 107-108. Due to the time consumed by the deliberations of the conference, the project was modified to cover 1908-1912 as the five-year period.

[48]Ibid., l. 5.

[49]Ibid., ll. 23-27.

[50]Ibid., l. 28.

[51]Ibid., pp. 4-11.

[52]Osobyi Zhurnal, No. 130 (July 8, 1908), pp. 1-4.

[53]TsGIA f. 229 op. 3 d. 897 pp. 1-46.

[54]Ibid., op. 4 d. 1332 p. 4 and Osobyi Zhurnal, No. 53 (March 2, 1910).

[55]TsGIA f. 229 op. 4 d. 1332 pp. 6-8.

[56]Ibid., pp. 4-5.

[57]Ibid., p. 6.

[58]Since the conclusion of the Portsmouth Peace, military circles had vigorously argued for a railroad line connecting Russia with the Far East which would not cut across foreign soil. In his memoirs Kokovtsev maintains that he consistently supported the expenditure of several hundreds of millions of extraordinary credits (over 238 million by Stolypin's original estimate) despite the financial burden of loans, on both strategic and long term economic grounds. Kokovtsev, Out of My Past, pp. 209-210. In reality, although he was not openly opposed to the project, probably because Nicholas and Stolypin were enthusiastically for it, Kokovtsev did make efforts to delay the Amur line's construction. He repeatedly urged that private funds be located for construction, and that careful surveys be made first. On at least one occasion he expressed the view that the immediate construction of the Amur railroad was no longer so critical, in light of improved relations between Russia and Japan. Osobyi Zhurnal, No. 6 (June 13, 1906), No. 15 (June 27, 1906), No. 14 (January 3, 1907), and No. 142 (May 4, 1907). In public statements to the Duma, however, Kokovtsev echoed Stolypin's enthusiasm for the project. It should be noted here as well that many of the harshest Duma critics of the Railroad Administration approved of the Amur project, indicating that interest in Russia's Great Power status could overcome the Duma's urge to punish Government departments.

[59]TsGIA f. 1276 op. 3 d. 201 ll. 2-7 and ibid., d. 275 ll. 202-225.

[60]TsGIA f. 229 op. 3 d. 911 ll. 46-49.

[61]Ibid., ll. 39-43.

[62]Ibid., op. 4 d. 794 l. 56 and ibid., d. 1332 pp. 7-12.

[63]Ibid., d. 794, l. 54.

[64]TsGIA f. 560 op. 26 d. 634 ll. 349-350.

[65]Osobyi Zhurnal, No. 27 (February 5, 1908), p. 5.

[66]Ibid., pp. 8, 11-13, 22, 27-32, 44.

[67]Ibid., pp. 54, 56.

[68]Ibid., p. 78.

[69]Duma, Obzor deiatel'nosti, pp. 315-321.

[70]Kokovtsev, Out of My Past, p. 202.

[71]Ia. Miketov, Chto sdelalo, p. 203.

[72]Duma, Otchety. Soz. III, ses. 2 (April 10, 1909), cols. 1617-1625. The Octobrist Miketov later said that by his actions and words, Rukhlov moved to meet the Duma's wishes, and established the possibility of joint work. Miketov, Chto sdelalo, p. 204.

[73]The speech is reported in Promyshlennost' i Torgovlia, No. 4 (1909), pp. 226-230.

[74]Duma, Obzor deiatel'nosti, p. 360.

[75]Ibid., prilozhenie vtoroe.

[76]TsGIA f. 1278 op. 2 d. 3213 l. 156.

[77]Editorials in Golos Moskvy, March 2, 1908 and May 3, 1908, as well as the article by N. Nekrasov "Perspektivy chastnogo zheleznodorozhnogo stroitel'stva, " Moskovskii Ezhenedel'nii, No. 2 (1910), pp. 7-12.

[78]B. V. Ananich, "Vneshnie zaimy Tsarizma i dumskii vopros v 1906-1907gg," Istoricheskie Zapiski, No. 81 (1968).

[79]Golos Moskvy, February 24, 1908.

[80]TsGAOR f. 115 op. 1 d. 19 l. 99.

[81]Duma, Otchety. Soz. III, ses. 1 (April 24, 1908), cols. 1978-1981.

[82]Moskovskii Exhenedel'nik, No. 2 (1908), p. 16.

[83]Golos Moskvy, March 28, 1908.

[84]Ibid.

[85]Speech by B. M. Purishkevich in Duma, Otchety. Soz. III, ses. 1 (April 24, 1908), cols. 1987-1989.

[86]Ibid., cols. 1983-1986, 1990-1991.

[87]Ibid., cols. 1992-1993.

[88]Ibid., col. 1995.

[89]Ibid., cols. 2006-2010.

[90]Golos Moskvy, April 26, 1908.

[91]Ibid., April 29, 1908.

[92]Duma, Otchety. Soz. III, ses. 1 (April 25, 1908), cols. 2006-2010, 2022-2025.

[93]Ibid., cols. 2025-2028.

[94]Kokovtsev, Out of My Past, p. 206.

[95]Osobyi Zhurnal, No. 155 (September 10, 1908), p. 3.

[96]Ibid., No. 41, No. 4 (January 1, 1910), pp. 1-3.

[97]TsGIA f. 229 op. 4 d. 1332 pp. 15-16.

[98]Ibid., d. 716, l. 278.

[99]Izvestiia Obshchestva Finansovykh Reform, No. 3 (1911), pp. 11-14.

[100]TsGIA f. 229 op. 4 d. 716 l. 49. After 1911 the problem of coping with increased prices of fuel due to the activities of strong monopolies became even more difficult. The Ministry of Communications sought extraordinary means of keeping costs down, including the importation of foreign coal (sometimes duty free) and direct exploitation of

coal fields by the Ministry itself. Osobyi Zhurnal, No. 94 (May 11, 1910), pp. 1-4 and No. 107 (November 2, 1912), pp. 1-5, as well as a summary of difficulties faced in 1912-1913, TsGIA f. 229 op. 4 d. 716 ll. 297-298. Articles on the fuel crisis include P. V. Volobuev, "Iz istorii sindikata 'Produgol,'" Istoricheskie Zapiski, No. 58 (1956), pp. 107-144 and the excellent M. Ia. Gefter, "Toplivno-neftianoi golod v Rossii i ekonomicheskaia politika tret'eiunskoi monarkhii," Istoricheskie Zapiski, No. 83 (1969), pp. 76-122.

[101]See the speeches of F. F. Timoshkin, Duma, Otchety. Soz. III, ses. 5 (April 24, 1912), cols 3118-3119 and A. A. Motilov, Ibid., cols. 3141-3143 as well as ibid., (March 1, 1912), cols. 3449-3451.

[102]Ibid., ses. 4 (February 21, 1911), col. 2430.

[103]Russkaia Mysl', No. 11 (1912), p. 5.

[104]Duma, Otchety. Soz. III, ses. 4 (March 5, 1911), col. 3704.

[105]See Shingarev's speech in ibid., ses. 5 (February 29, 1912), col. 3307. Also Eropkin, Chto sdelalo, p. 77 and Alekseenko, Russian Review, No. 3 (1912), p. 26.

[106]Duma, Otchety. Soz. III, ses. 3 (March 9, 1910), cols. 178-190, 195-198.

[107]Ibid., ses. 5 (April 24, 1912), cols. 3251-3254.

[108]Ibid., ses. 4 (March 5, 1911), cols. 3687-3695.

[109]Gertsenvits' speeches are in ibid., ses. 3 (March 9, 1910), cols. 151-167, ibid., ses. 4 (March 5, 1911), cols. 3644-3652 and ibid., ses. 5 (April 21, 1912), cols. 3045-3055.

[110]Ibid., ses. 1 (May 7, 1908), col. 78.

CHAPTER V

MODERNIZATION AND STATE DEFENSE IN RUSSIA

Military Backwardness After the War

As serious as the backward and unprofitable state of Russia's economic enterprises seemed to Government officials in 1905, the problem did not compare in gravity with the demoralization and incapacity of the armed forces. The disastrous defeat at the hands of Japan threatened to remove Russia from the ranks of the Great Powers. A clear picture of the military establishment after the debacle was given by Deputy War Minister A. A. Polivanov before a closed Duma session on April 13, 1912:

> The army was lacking in much that was necessary; not only due to the outlay inevitable in any war, but to the fact that it was backward in the acquisition of the instruments of military technology as well. In 1908 [and before] it was short almost half the equipment and provisions necessary for fielding an army. It was lacking in rifles, cartridges, shells, trenching devices, hospital supplies. It had almost none of the instruments whose indispensability has been demonstrated by the experience of war and the example of neighboring states: machine guns, howitzers, mountain artillery, heavy field artillery, telegraphs, automobiles—that is, the very instruments which are recognized as a necessary element of a strong army. I will speak succinctly; our army in 1908 was not combat ready.[1]

The navy was in even more distressing condition than the land forces. As a result of the Japanese War, the Pacific and

Baltic Fleets had almost ceased to exist. A total of 69 war and support ships were destroyed or seized in the Pacific during the fiasco, with losses in financial terms amounting to approximately 256 million rubles. A commission headed by Army Chief of Staff Palitsyn and the General Inspector of Engineers Grand Duke Peter Nikolaevich concluded that in the period immediately following the war, Kronstadt and St. Petersburg itself were actually defenseless against naval assault.[2] Moreover, the Black Sea Fleet, which saw no action during the war and was therefore intact, could hardly be called an impressive military instrument. It consisted of six battleships, the latest having been built in 1900 and the earliest in 1889, which made it an antique unfit for modern combat. The armaments, supplies, technology and general war-readiness of these heavy ships, as well as the condition of other craft and port facilities were beneath criticism, as the experts in the Naval Ministry themselves admitted.[3] In terms of immediate security and long-range prospects, the situation in the army and navy was certainly desperate for a country as status conscious and ambitious as the Russian Empire.

The financial costs of the Russo-Japanese War had also been enormous, both in terms of monies spent in 1904-05 and the future burdens of liquidating the results of the war, rebuilding and resupplying formerly existing stocks, and paying interest on loans incurred during the period of emergency. According to the officials of the Ministry of Finances, the total sum of direct war expenditures was approximately 2.3

billion rubles (not including the cost of the decimated fleet), out of which 1.9 billion was covered by loans and 400 million by the "free surplus" of the Government held before 1904. This figure is accepted by most Soviet historians, although A. P. Pogrebinskii has maintained that the projected interest payment of loans should be added to the sum of direct expenditures.[4] Whatever method is used for computation, the conclusion remains unchanged; supplies and material worth billions of rubles had been exhausted in a lost cause. The level of armament and military organization had proved inadequate against an enemy far weaker than those which threatened Russia's western frontiers. An urgent task before the postwar Russian Government was to rebuild the military forces into a far more potent instrument than before, and to do so quickly in a hostile world.

However, the restoration of Russia's military power was complicated from the very beginning by political and institutional conflicts within the State Administration. The War and Naval Ministries, directly in charge of the armed forces, were accustomed to considerable independence in the formulation and implementation of policy, and in the definition of military priorities. And yet the war and revolution had produced a new institution with a mandate to control State affairs—the Council of Ministers. A collision between the principles underlying the Council and the traditions of military independence was inevitable.

At first, under the Witte and Goremykin regimes, the old habits of disregard for unity and coordination remained largely unchanged. War Minister Rediger actually recalls how he and the Tsar alone agreed to dissolve certain units of the reserves in order to ferret out undesirable elements, without consulting the Council of Ministers. The explanation was that the latter institution was so new that he actually forgot about its existence.[6] In his writings Rediger makes it clear that he did not consider himself bound to participate in the Council, or act in the name of the Council as a united Government. In April 1906 he conducted an independent campaign to have A. A. Polivanov appointed Deputy Minister of War. Moreover, he recalls that he was informed about the dissolution of Count Witte's cabinet only by second-hand sources, thus proving the "weak, purely superficial connection I had with the cabinet."[7]

When P. A. Stolypin took office as Chairman of the Council of Ministers, he brought with him a dedication to making the principles of October 19 (for consolidated State authority) a reality. The new Prime Minister was an ardent nationalist; he firmly believed in the urgency of restoring Russia's position as a Great Power, and consistently acknowledged that the army and navy were high priorities in the general rebuilding process after 1905. There is very little evidence that Stolypin was a dogmatic supporter of any particular military strategy or school (although he did favor an active combat fleet), or that he took an especially strong

interest in technical problems of military preparedness. He was, however, deeply concerned with the political and administrative aspects of national security, particularly the relationships between the War and Navy Ministries on the one hand, and the Council of Ministers, Tsar and legislative institutions on the other. As we have observed, the united Government was created in part to direct Russia's internal reconstruction, including military. Yet the paradox holds that the military-oriented departments, those directly associated with providing national security against foreign aggression, were potential obstacles to the coordination and consolidation of State resources and policies under the direction of the Council of Ministers, itself a major imperative for Russia's long-range development. The October 19 Manifesto had certainly given the military departments special status which supported their traditional independence and disregard for civilian authority. And yet the tasks of promoting modernization on a broad number of fronts (cultural, economic, social, technological as well as military) could not be accomplished without substantial incorporation of military programs, policies and prerogatives into an overall national perspective. It was toward this goal that Stolypin, acting through the mandate of the Council of Ministers, expended considerable efforts and opened up the possibilities of conflict and controversy.

Kokovtsev and Military Expenditures

The tension between administrative coordination and rationalization on the one hand, and the traditional independence of the military agencies on the other, was revealed most clearly in conflicts over the budget. The failure to subordinate the War and Navy Ministries to the Council of Ministers threatened more than Stolypin's authority as head of Government; it also endangered Finance Minister Kokovtsev's efforts to balance the budget and control State finances. His experience during the Russo-Japanese War had convinced Kokovtsev that the leading officials of the military departments were wasteful, incompetent and dangerously incapable of restraint. During the period of hostilities, large sums had been requested by them "in the most unsystematic ways imaginable," at times "contrary to the dictates of common sense."[8] Among the incidents which reinforced this feeling included General Kuropatkin's demand that unspent money (for a railroad which was not built because the route fell under Japanese control) be kept in his own hands for future use, inflated requests for staff traveling expenses, and the farcical effort of Admiral Abaza to purchase South American battleships which in all likelihood did not even exist.[9]

During the war there was little that Kokovtsev could do to assert control over military expenditures. The procedure for meeting requests for new funds was, in his words, "quite simple" and free of "complicated preliminary manipulations."

Final decisions were made in a special interministeral commission under Count Sol'skii, where the War and Navy Ministers seldom encountered serious obstacles.[10] However, while Kokovtsev's control over immediate wartime appropriations was slight, he did not give up hope of influencing the course of post-war reconstruction. Concern for reducing the flood of expenditures was already strong by the fall of 1904, as revealed in Kokovtsev's correspondence with Foreign Minister Count Lamsdorf. In a letter of October 26, 1904 the latter predicted a glorious triumph of Russian arms against the Japanese, but pointed to threats from England and the United States which might impede the attainment of Russia's just peace demands. He urged that all means be found for increasing her military preparedness to meet post-war resistance to Russia's victory claims from any other powers.[11] In a report to the Tsar, Kokovtsev questioned this anticipated posture of hostility toward England and America. The aim of the Foreign Minister

> ...is beyond the capacity of any state engaged in a difficult war, and beyond our means most of all due to the absolute impossibility of covering our military expenditures which exceed those of any previous war, and simultaneously establishing and improving our military organization in anticipation of possible new enemies.[12]

Kokovtsev went on to show that Russia's finances were such that the war with Japan itself could not be carried through 1905; certainly the preparation for war with other powers was not then within the realm of possibility. If at the moment of peace negotiations with Japan, diplomacy had not already

provided Russia with reliable friends, then "we certainly cannot defend our interests with guns in hand," as demonstrated by simple arithmetic [comparative tonnage of world fleets].[13]

Thus, even before the Portsmouth Peace, Kokovtsev was attempting to make future military priorities consistent with his conception of financial capacity and economic health. This question of military expenditures in peacetime conditions was discussed by other officials of the financial apparatus, and led to a joint resolution of the Committee of Finances and the Department of State Economy of the State Council on December 29, 1905. It was acknowledged that recent months had been "exceptionally difficult for our finances." The currency could not be saved unless State expenditures were brought to a more manageable level—especially those of the Army and Navy Ministries. The cessation of hostilities made this possible, since extraordinary expenditures of the post-war period did not have the urgency of actual wartime appropriations. Further, new preparations could now be slowed down, partly in light of the abundant stocks of unused supplies in the hands of the military authorities. In order to judge which army and naval expenditures might be reduced or at least delayed, it was recommended that special commissions be formed with representatives of the military departments, the State Control and the Ministry of Finances.[14]

Resistance to the immediate satisfaction of military demands continued through 1906, as requests for expenditures rose in both volume and scale. On October 28, 1906 War Minister Rediger requested vast sums to cover maintenance of army detachments being kept in the Far East, Europe and the Caucasus, along with appropriate artillery, medical and other support equipment. The total came to nearly 215 million rubles in new expenditures to be distributed over two years (1907 and 1908).[15] Deeply concerned with imminent deficits and financial instability, Finance Minister Kokovtsev brought his case against excessively burdensome military requests to the Council of Ministers. In a letter to Stolypin (dated November 14, 1906), Kokovtsev complained that a deficit of 40 to 50 million rubles was already anticipated; new army expenditures would raise this to intolerable levels. In supporting his argument, the Finance Minister noted that deficits were particularly dangerous so soon after the State had "passed through such trying external and internal shocks...." Unless steps were taken to balance the budget, Russia's finances would be put in an "absolutely impossible position." From this point of view,

> ...the burdening of our budget in its present condition with new and absolutely uncoverable expenditures through the strengthening of the military cannot meet the interests of the defense of the State, since the expansion of military forces under a financially and economically weak state does not create real military might.[16]

Kokovtsev then repeated the position stated earlier to Count

Lamsdorf—that an expedient foreign policy must be pursued as the best guarantee for external security.[17]

Regulating Budgetary Procedures

Kokovtsev did not limit himself to arguing for simple reductions in military appropriations; he also aimed at subordinating the War and Naval Ministries to orderly and regular budgetary procedure under the legal and institutional framework established in 1905. The Treasury had to be defended against random and arbitrary demands which disrupted normal administrative procedure, harmed financial planning and violated the rational functioning of a united Government. It is in his efforts to implement the 1905 mandate for coordination and lawfully regulated procedures that Kokovtsev can be considered a "constitutionalist." Only if this is understood can the post-1905 conflicts over budget norms and prerogatives, touching on the powers of the legislative institutions, Council of Ministers, individual ministries and the Emperor himself, be put in proper perspective. Among the specific controversies over the military budget were the use of conditional credits, the status of the fixed budget maximum (predel), the implementation of the March 8 rules, and most important, the interpretation of Imperial prerogatives through Article 96 of the Fundamental Laws.

A problem already discussed in general terms in Chapter II was the use of conditional credits (uslovnye kredity)—the submission of appropriation requests in the yearly

estimates before they had received proper authorization in legislative procedure, with the assumption that this would be done before final acceptance of the budget. Kokovtsev (and the Duma) were vigorous opponents of too free and arbitrary use of this technique which had been legally instituted in 1895. By 1909 the problem had not receded despite their efforts; in fact, the number of conditional credits in that year was greater than in 1908 (579 over 438).[19] At a session of the Council of Ministers devoted to this issue, the new War Minister, General Sukhomlinov, maintained that it was exceedingly difficult for his department to adhere strictly to the letter of the law. This was due to the Government's ruling that the War Ministry had to submit a list of the new measures desired the following year by July 1, which would then be evaluated by the Government from the viewpoint of the general conditions of the budget. The difficulty was that this practice prevented the anticipated measures from receiving legislative authorization on time, thus forcing the War Ministry to introduce a substantial number of conditional credits instead. Sukhomlinov argued that the condition of the Treasury was of great concern to him, and had prompted voluntary cuts in a number of measures which he considered extremely urgent. Military affairs would suffer even more if restrictions on conditional credits were enforced too rigidly, since this would lead to disorder in planning the reconstruction of the armed forces.[20]

The Council of Ministers upheld Kokovtsev in refusing to condone exceptions to the 1895 statutes on conditional credits, in part because of the practice's inherent harm, but also because the Duma's Budget Commission had demanded a "strict attitude" on the problem.[21] Deprived of justification for privileges in the budgetary procedure, the War Ministry was forced to take measures to reduce the number of conditional credits in 1910 by pressing on with formulation and passage of legislatively authorized measures.[22] The increased success of the War Ministry in curbing conditional credits did not lead to the final settlement of the controversy, as evidenced by the renewed debate featuring Kokovtsev and Naval Minister Grigorovich in the spring of 1911. But once again the Council of Ministers rejected the idea that the expedient settlement of military affairs justified conditional credits. Not only would the Duma exclude them if they were accepted by the Government; most important an increase in their number

> ...would not contribute to the...striving of the Council of Ministers and the legislative institutions for a full determinateness of the budgetary ennumerations, which is by its very nature violated by conditional credits.[23]

Clearly, special privileges were not consistent with the imposition of order and clarity into the budgetary process.

This was reaffirmed by the efforts of the Finance Minister to force military departments to adhere to normal legislative procedures as dictated by the March 8 rules and the Fundamental Laws. For example, in his letter of

November 14, 1906, Kokovtsev maintained that the War Minister's request for passage of special expenditures through Articles 17 and 87 was inadmissable. Implementation of the latter, he argued, was restricted by "strong and immovable barriers." Only exceptional and one-time expenditures could be authorized under it; but clearly the strengthening of military forces was a permanent and continuous process and in "no way [could be] included in the category of measures to be resolved through Article 87 of the Fundamental Laws."[24] The same strictures applied to use of Article 17 of the March 8 rules which forbade appropriations without legislative approval in all but one-time emergency situations. Thus, Kokovtsev was convinced that the War Minister's proposed measures could not

> ...be presented for final affirmation of His Majesty other than through general legislative procedure—that is by preliminary discussion of them in the State Duma and State Council.[25]

This question of the use of these emergency authorization statutes came up repeatedly, with the military departments seeking to skirt time-consuming procedures and the Finance Ministry (generally supported by the Council of Ministers) thwarting arbitrary use of Articles 17 and 87.[26]

The above questions involved upholding the necessity of general and uniform legislative procedure against violations by separate ministries, in particular the war and naval departments. At stake were the stability of the nation's finances and the prerogatives of the institutions which carried

out normal legislative procedure: the Council of Ministers on the one hand and the State Duma on the other. Two issues of far greater importance for the authority of the united Government in particular were the controversies over the fixed military budget and Article 96 of the Fundamental Laws. The fixed maximum (predel) was a practice established in 1889 of determining and allocating normal credits to the War Ministry in five-year periods, and not in annual budgetary outlays. The last such budget was approved by the Tsar on April 2, 1903, and was scheduled to remain in force through 1908. It was supposed to guarantee the War Ministry a definite amount of credits for a stable five-year period, while at the same time guard the Treasury against unexpected demands from the military. According to Kokovtsev, in practice the maximum protected the army from cuts in its estimates, but in no way shielded the Treasury from "unexpected and often extremely large demands for supplementary appropriations," credits for which should have been found within the sums allocated for the five-year period.[27] Kokovtsev suggested that beginning on January 1, 1909 the normal expenditures of the War Ministry be made part of normal budgetary procedure, as the naval estimates were. Rediger did not object, and actually claimed to favor elimination of the fixed budget on the grounds that this device had limited his department's flexibility and served to reduce the total sum it would have received during the five-year period.[28]

Controversy arose less over the decision to eliminate the maximum than over the rights of the military department during the period of transition to normal budgetary procedure. At interministerial conferences in April and May 1908, some of the difficulties involved were discussed. The War Minister insisted upon the preservation of special privileges under the new system, most notably a Treasury guarantee to cover debts and finish operations left uncompleted at the end of the 1899-1908 period, a special fund to be used in case of changes in the prices of army supplies, and a ten million fund for a variety of expenditures. Kokovtsev and the State Controller led the Council of Ministers in rejecting any special funds and in insisting that debts and uncompleted operations be paid for by savings within the fixed budget itself. The Council of Ministers agreed that during the period of transition some special consideration should be given the War Ministry, but excesses and vagueness would not be acceptable to the Government or the Duma.[29]

The War Minister remained intent upon not allowing the elimination of the maximum budget to infringe on his prerogatives in controlling military expenditures. Rediger and then Sukhomlinov attempted to use the Imperial powers outlined in Article 96 of the Fundamental Laws as a means of preserving the flexibility, maneuverability and control over monies already appropriated to the War Ministry which Kokovtsev had complained about in regard to the fixed budget. The transition to general budgetary procedure from the five-year

predel necessitated the interpretation of rules and laws governing institutional prerogatives.

The Government had already been faced with the realization that Article 96 was confusing and unclear. The issue had arisen during the debate over whether changes in the organization of naval staffs within the bounds of already appropriated credits required the approval of the legislative institutions. The Council of Ministers could not devise a satisfactory formula for jurisdiction over intra-departmental staff changes of civilian agencies, but was quite emphatic that such changes could be made by the military departments through Article 96 (asserting the Tsar's role as commander in chief), so long as they did not violate general laws and necessitate expenditures above those already appropriated.[30]

This decision failed to resolve an equally pressing controversy: the role to be played by the Council of Ministers itself in the process of spending funds appropriated to the military, and in the process of internal reforms within the army and navy. On April 3, 1907 Rediger argued against the practice of submitting proposals for staff changes (involving no new credits) to the Council of Ministers before they reached the Emperor. He maintained that such a procedure "creates serious difficulty for the War Department," which must seek approval of the Council for every change of staff, "however insubstantial." Rediger claimed that a number of statutes, in particular Article 96, instructed the War

Minister to make direct representations to the Tsar on strictly intra-departmental matters.[31] The War Minister was essentially seeking freedom from the constraints of a united Government mechanism through a specific interpretation of the legal basis of the State system.

The Government, while it was prepared to admit that legislative approval was not required for staff changes involving no additional credits, continued to affirm that they must be transmitted to the Tsar through the Council of Ministers:

> Only in this way is it possible to secure observance of any uniformity in the internal structure of all the executive (both military and civilian) departments, making up a unified whole—by means of which the Supreme Authority [Tsar] acts on all areas of administration.[32]

The Army and Navy Ministries had been included in the united Government by the Tsar; it was therefore incumbent upon the Council of Ministers to keep abreast of all departmental matters having a general State significance or connected to the interests of other administrative agencies. Staff changes affected both the "State mechanism" and the "interests of overall financial administration."[33] In order to expedite passage of proposed staff changes, the Council of Ministers held that the matter would only come before it in cases where the Finance Minister and State Controller disagreed with the initiative, thus making these the representatives of coordinated and centralized authority on budgetary matters. The Council in making this resolution was most careful

to emphasize that Imperial prerogatives were not being violated, since proposals of the united Government were certainly not binding on the Tsar; however, these had to be made in order to fill the need for "unity of rule."[34] This interpretation must have put Nicholas himself in somewhat of a bind, since he could not overrule the Council's insistence on participation without weakening the principle of "unity" which he so valued after the experience of 1905.

As we have seen, the budgetary rules were interpreted by various individuals (representing departmental interests) to promote the policies and prerogatives declared indispensable for sound governmental operations. The War Minister believed that the preservation of a uniquely privileged status for his department would aid in the most expeditious reconstruction of Russia's armed forces. The Finance Minister on the other hand sought to subordinate the military to general procedures in financial and budgetary matters, thus imposing a broader perspective on priorities and programs. Article 96 was to be used to foster centralization and coordination within the Government itself. As will become clear in Chapter VI, conflicts over interpretations of prerogatives and procedures could not be restricted to ministerial chancelleries; they inevitably came to involve the State Duma and society. What Kokovtsev and Stolypin preferred to view as primarily an issue of control and coordination over all aspects of administration by the Council of Ministers was to be transformed into a test of parliamentarism and absolutism.

This would have the effect not only of causing political disruptions, but of undermining the thrust toward a united Government as well.

Early Plans for Fleet Reconstruction

The active pursuit of fiscal restraint and coordinated Government planning by the Finance Ministry and Council of Ministers was threatened by intense pressures to rebuild the fleet after 1905. At the turn of the twentieth century, naval power was becoming an increasingly prominent concern of Europe's leading statesmen. Kaiser William II and his Admiral Tirpitz were prime examples of leaders believing in the connection between modern naval forces and Great Power status. It was at this time that Germany began a drive to overtake England for Supremacy (or at least parity) on the world's seas.[35] Even smaller countries were not immune to the lure of combat navies which would supposedly lead the way to a share in the prizes available through imperialist competition. Of enormous importance for naval competition was the giant dreadnought, a revolutionary breakthrough in technology which made the numerical superiority of formerly dominant powers (especially England) a much less crucial factor in the balance of power. After all, it was believed, one new modern dreadnought was the equal to squadrons of the now antiquated smaller battleships; it was the race for dreadnoughts which now counted, and all were starting out more or

less even. The Russian Empire, which in 1904-05 lost most of its fleet, could perhaps profit from this disaster by starting anew with construction of modern squadrons based on the latest technology. At least this possibility prompted the leaders of the Naval Ministry to press for a commitment to dreadnoughts and massive shipbuilding after 1905. Nicholas II, attracted by the prestige which could be won by a powerful fleet as well as by the diplomatic advantage of being the balance of power in the competition of Germany and England, quickly made a firm commitment to a modern naval force.[36]

Initial discussions began in the spring of 1905 when Nicholas ordered a special conference to define the size of the combat fleet necessary for Russia, and to iron out delays in construction.[37] Uncertainty after the Tsushima catastrophe, as well as the revolutionary events of 1905, slowed down consideration of shipbuilding; still, in the spring of 1906, Admiral A. A. Birilev declared the launching of dreadnoughts for the Baltic Fleet to be his Ministry's highest priority. His request for the appropriation of 42 million over 3-4 years to construct two dreadnoughts immediately evoked a barrage of criticism from natural opponents of major naval expenditures. Finance Minister Kokovtsev argued that requests on the scale of Birilev's required elaboration only within the context of a broad and detailed general plan for shipbuilding, which had thus far not been compiled. The proposal was then brought before the Council

of State Defense, established in 1905 with the purpose of coordinating military affairs, and dominated by individuals favoring land forces over naval.[38] Almost all the members of that institution, led by Grand Duke Nikolai Nikolaevich, repeated Kokovtsev's argument, adding that coordination with programs being developed by the army was necessary. Birilev immediately responded with two alternative shipbuilding programs, but was informed by the Council of State Defense that the prerequisite of agreement with the Army General Staff on major strategic questions had not yet been fulfilled.[39]

The Naval Ministry did not give up, however, and in the spring of 1907 the new Minister Admiral Dikov succeeded in winning the Tsar's approval for a "small shipbuilding program," to include the expenditure of 870 million rubles over ten years (738 for the Baltic and 132 for the Black Sea fleets). Despite the obvious support of Nicholas for naval priorities, the Council of State Defense once again served as the forum for opposition to shipbuilding on financial and strategic grounds. Rejected by the Council (an action which aroused Nicholas' anger), the "small shipbuilding program" was put aside temporarily while Admiral Dikov sought to win smaller, but concrete victories for his dreadnought projects. With a clear Imperial mandate behind him, Dikov managed to receive the approval of the Council of Ministers for a four-year program calling for 31 million rubles each year. He considered this the absolute minimum beginning,

which would allow the execution of broader projects when they were approved. This four-year program included four ships of the line (dreadnoughts), three submarines and a Baltic Base in the North, as well as fourteen destroyers and three submarines for the Black Sea; it received Imperial affirmation for inclusion in the following year's budget on June 9, 1907.[40]

The pressure for widescale reconstruction of military forces led the Council of Ministers to at least attempt to impose a coherent, coordinated and well-planned-out policy of national security, with the Council guaranteeing for itself a major role in decision-making. At a very significant session held on February 1, 1908, the representatives of the army and navy stated their demands. Deputy War Minister Polivanov took the opportunity to press for substantial improvements in land forces, whose partisans felt neglected and out of favor in highest circles. He suggested a program of expenditures for 1908-1914 amounting to 315 million rubles, with all but 20 million to be distributed during the first three years.[41] The Naval Minister Dikov did not make any new proposals, but rather limited himself to reiterating earlier demands, and reminding those present that the Tsar had expressed support for them. He argued for the immediate execution of the annual 31 million ruble appropriations, maintaining that they were the minimum possible base upon which future programs could be extended. Once more, Dikov reminded his fellow ministers of the "small shipbuilding program"

which Nicholas had approved, and repeated the sum of 870 million required for satisfactory improvements in the strength of the Baltic Fleet (not to mention the other Seas and port renovation).

Predictably, Kokovtsev expressed opposition to the figures cited in both programs, while Grand Duke Nikolai Nikolaevich (an invited guest at the session) suggested that current measures be suspended while a coordinated plan for army and navy renovation be devised. He seems to have been prompted by the fear that the naval program would have greater chance of passage, and thus sought a delaying action which would postpone commitment of funds to that Ministry.[43]

The resolutions of the Council of Ministers (undoubtably expressing Stolypin's personal views) stressed financial limitations as well as the goals of coordination and rational planning. The Council authorized a special conference to discuss the 325 million ruble army request which, at the moment, had to be considered beyond the means of the Treasury and "not compatible with the broader aims of the State Administration." While it reaffirmed the already passed 31 million yearly naval appropriations, the Council severely criticized naval officials for failing to coordinate their activities with the War Ministry. It endorsed the recommendation of Nikolai Nikolaevich that such coordination had to be worked out at various stages by the Council of State Defense. More important, however, the resolution emphasized that the financial and civilian departments had to participate in

order to guarantee the "practical feasibility" of any projected programs. Since the Council of State Defense (an exclusively military-oriented institution) was by law without executive power, it was the Council of Ministers which had ultimate responsibility for cooperation and coordination, and for final approval of all measures. This was especially important since systematic planning (planomernost') had to involve not only projects of a military nature, but those emanating from other departments as well. Thus, the Council resolved that

> ...a complete plan of State defense must, it would seem, foresee expenditures not only by the War and naval Ministries, but by all other administrative departments to one degree or another with the aim of successfully defending our homeland from foreign enemies.[44]

The master coordinator and arbitor was to be the Council of Ministers, as the agent of the Tsar on broad matters of State policy.

Implementation of Ship Construction

The February 1 Council of Ministers session reaffirmed the Government's commitment to limited funds for dreadnoughts in the Baltic (which as we shall see encountered substantial opposition in the Duma), but failed to authorize a broad, expensive military program. In postponing consideration of the requests made by the Naval and War Ministries, the Council emphasized that the two branches would have to coordinate their activities more closely. They were instructed to

compile a carefully conceived long-range plan which would come under close scrutiny by the Council of Ministers during the later stages of decision-making.

However, the Council did not exert its authority merely through the negative act of postponing new programs. The united Government also moved to consolidate its decision-making power by activly participating in the execution of already approved minor projects. The approval of limited appropriations for the Baltic Fleet now required the working out of specific details concerning the project's implementation. Most important of these was the controversy over whether contracts for the construction of warships should be granted to foreign firms or home industries. The Naval Ministry at first favored giving an order for two 21-ton dreadnoughts to the Vikkers Company of England, but in July 1907 decided that Russia's industrial enterprises were capable of reliable and prompt construction.[45] Only a few months later, however, the Ministry reversed itself once more and claimed that the rapid pace of technological advances in shipbuilding had again made home factories relatively obsolete. Vikkers was offering iron-clad guarantees of quality and delivery at a price well within the limits open to the Naval Ministry. Minister of Trade and Industry Filosofov objected strenuously to this position, complaining that home industry would be crippled and thousands left unemployed if huge contracts were awarded to foreign firms. The Council of Ministers authorized a special conference to resolve the

contradictions between technical-military expediency on the one hand and socio-economic considerations on the other. As a general guideline, however, it suggested that Russian materials and workers should be used, although perhaps with foreign supervisors and some contracts with non-Russian companies.[46] The issue was taken up by representatives of Russian trade and industry who petitioned Government officials and attempted to influence the findings of the special conference. On November 13, 1907 the Council finally rejected categorically Dikov's request that the ships be built in England.[47]

The precedent of the temporary conference, as well as the prospects for heavy expenditures on naval programs in the near future prompted Stolypin to seek out more permanent means of strengthening the Council of Minister's influence on specific decisions pertaining to the fleet. On December 2, 1908 he suggested the creation of a Conference on Shipbuilding, to be concerned with construction of the fleet, strengthening harbor facilities, renovation of docks and wharfs, and other naval matters. The Conference would be chaired by a Deputy Naval Minister, and would include representatives of the Navy, State Control, Ministry of Finances, Ministry of Trade and Industry, and the Council of Ministers; it would review all administrative and financial questions arising during the execution of current or future naval programs. Built along the same principles as the interdepartmental collegial organs attached to the Ministry of

Communications, the Conference would not be involved in technical matters requiring naval expertise. However, each member of the Conference would have the right to postpone any proposed measures it found objectionable, if these pertained to general problems. Final decisions would be made by the Council of Ministers.[48] Echoing the arguments of Shaufus and Rukhlov, Dikov complained that this proposed collegial institution would weaken his ability to manage naval affairs by undercutting the Naval Minister's authority and responsibility. Moreover, the wide use of the suspensive veto privilege held by each member of the Conference would tend to slow down the implementation of the naval rebuilding program. In a practical sense, he went on, it was not possible to divide neatly administrative-economic questions from technical ones; the attempt would yield an even greater measure of confusion.

The Council of Ministers resolved that the Navy Minister's fears were unfounded, and that the latter's flexibility and prerogatives would not be impaired by a properly functioning permanent Conference. Any diminution of Dikov's authority stemmed not from the actions of the Conference, but rather from the fact of the Naval Minister's participation in the united Council of Ministers. The latter institution was charged with directing the entire State Administration and could not abdicate one of its most important duties, the

> ...supervision over the proper spending of enormous funds authorized by the legislative institutions for the creation of a combat ready army and fleet, requested not in the name of the military

> departments alone, but by the entire united Government.[50]

The Conference was an institution which would permit the Council of Ministers to exert its authority and

> ...lead to a more correct organization of shipbuilding affairs, providing the united Government with real means to be active in these questions and to promote planned development for which it will bear responsibility.[51]

It should be pointed out that in asserting its own authority as a powerful executive responsible for consolidation of decision-making and proper execution of policy, the Council made it clear that the establishment of the Conference would not require legislative affirmation. This was so because no existing laws were involved, and no additional funds would be required to maintain the institution. Thus, coordination and rationality in Government were being tied firmly to the consolidation of executive control, without the necessity of a legislative-parliamentary role. This position was repudiated by many elements in the Duma and society, as will be clear in Chapter VI.[52]

Long-Term Programs and Demands for Coordination

As noted above, while limited shipbuilding programs were being authorized in 1907-1908 and the Council of Ministers was taking steps to guarantee their efficient and rational implementation, the more ambitious long-term programs for naval and army reconstruction had not made progress. The recently appointed Naval Minister S. A. Voevodskii brought

the matter up again in February 1909, when he suggested to Nicholas II that the original 870 million ruble "small shipbuilding program" which had been discussed the year before in the Council of Ministers required serious revision as a result of changing technology and costs of construction. The Emperor entrusted the matter of a 10-20 year naval plan to a special conference (made up of both Chiefs of Staff, the Ministers of Foreign Affairs, Finances, War and Navy, and Stolypin himself as Chairman), rather than to the overtly anti-fleet Council of State Defense which was abolished the following month. Voevodskii's new "Program for the Development of Naval Armed Forces for 1909-1919" called for a full Baltic battle squadron of eight line ships and numerous new light combat and patrol vessels, the renovation of the Black Sea Fleet's lighter forces (primarily patrol boats), and similar attention to the Pacific Fleet. The total sum of construction would be 858.8 million rubles; if costs of widening ports, improving factories and supplementing supplies were added, the final amount came to 1,125.4 million rubles.[53]

Even at this late date, with Emperor Nicholas impatiently waiting for the formulation of an approved shipbuilding program, voices were raised in the special conference against the military value of an active combat fleet for Russia. War Minister General Sukhomlinov and Chief of Staff Myshlaevskii complained about the anticipated expenditure of 1.1 billion (which they considered a gross underestimate of the real costs) for a military arm which should be nothing more than

an auxiliary force. The naval requests were even more objectionable in view of the fact that the army was attempting to be more productive without increases in budget estimates. Furthermore, the 10-year naval program had been compiled without any attempt on the part of the Navy Chief of Staff to coordinate strategy with the land forces on such crucial questions as location of fortresses and deployment of army units.[54]

It was up to Kokovtsev, however, to put the demands for coordination within the context of the reformed State institutions. He would not have been satisfied even if both Chiefs of Staff had settled their differences over the strategic value of the different military arms, since such maneuverings within the army and navy establishment did not take into account the role of the united Government and civilian ministers.

> It is impossible to function according to the old methods: two Chiefs of Staff agree and send a report to His Majesty. At the present time the agreement of the two Chiefs is worthless. The matter has still been neither clarified in exact planned form nor accepted by the entire united Government. It still has not passed through the Duma (in the sense of expenditures only; the program itself of course is not the Duma's affair). Nothing has yet been done. We must discard old methods, isolated individuals have no role to play. The opinion—the firmly established opinion of the entire Government is needed, which will then go to the Duma and defend it. Nevertheless, today is the first time that the Minister of Finances has been brought in to participate seriously in resolving the question of the fleet.[55]

Kokovtsev was acting here very much unlike the "conservative" who opposed the reorganization of institutions guiding railroad

affairs, since he was now attempting to change traditional procedures and attitudes which governed the development of military programs in the past. Kokovtsev was forcefully exerting the right of the new State institutions to coordinate governmental activities, and thus impose rationality and general State interests. Until now, with the matter being kept as the preserve of the military departments, there had been an absence of clarity and sufficient regard for coordination. In Kokovtsev's view, the naval requests were indicative of an unrealistic attitude toward the State's potential for vast expenditures, and a lack of regard for the necessities of clear and critical compilation of programs.[56] The Finance Minister concluded that the entire ten-year program was in no way ready for submission to the legislative institutions; it must be thoroughly reworked to make naval requests more modest, and more in accord with needs of the land forces as well.[56]

At this juncture, Prime Minister Stolypin, who had always seemed enthusiastic about the dreadnought program but had also insisted that it be compiled and implemented in a proper institutional setting, stepped in to prevent another long delay in passing a naval plan. It is possible that this was due in part to a weakening of his political position in the spring of 1909; he might have felt it especially urgent to push more openly for completion of a program highly favored by the Emperor. Stolypin attempted to reconcile opposing views by recommending that four dreadnoughts rather than

eight would be sufficient for the Baltic Fleet, although it was necessary to affirm the principle of an active navy capable of acting on its own initiative and power, rather than serving as an auxiliary force alone. Stolypin went further and ordered the two Chiefs of Staff to meet at a very early date and settle strategic differences once and for all.

This conference took place shortly after the Prime Minister's command, on August 5, 1909. The naval and army forces actually succeeded in reconciling some of their more bitter differences on questions of strategic relations between land and sea squadrons, the necessity of strengthening various fortresses and ports, the possibilities of joint maneuvers on certain fronts and tactical problems of coordinated defense. In a practical sense, what emerged was a modus vivendi, with Sukhomlinov now willing to withdraw active opposition to a dreadnought program (although he still clearly opposed it in principle) on the condition that the Naval Ministry support the army's demands for substantial supplementary funds to strengthen fortresses, coastal artillery and other land forces in conjunction with naval plans.[58]

At the very next session of Stolypin's Conference, the Chairman expressed satisfaction that some agreement had been worked out, and stated that the next order of business had to be a careful clarification by the War Ministry of those credits required to blend in with the 10-year naval program, as well as the sums envisioned in its own long-range projections.[59] During the following few months, these requests were complied with, and became the focus of discussion at

the next session of the Conference on December 14, 1909. Sukhomlinov had clearly chosen to take this opportunity to compile a series of measures which expanded considerably upon those which had been suggested earlier. The overall total was in excess of 800 million rubles for the following decade, with 210 millions for coastal fortresses, 245 for land fortresses and the remainder for artillery and other armaments. This was in addition to the nearly 150 million rubles which had already been appropriated from an earlier agreed upon program in the spring of 1908.[60] As for naval demands, Voevodskii cut them from over 1.1 billion to 780 million rubles for the ten-year period, a sum which included the 15 million rubles which appeared yearly in the normal budget under the category of shipbuilding.[61]

Acceptance of the Long-Term Naval Program

Despite the agreement of the War and Naval Chiefs of Staff to coordinate their activities, Kokovtsev in particular remained a bitter opponent of these ambitious 10-year obligations to the Treasury. He continued to complain that the strategic goals of the fleet had not yet been clarified, and that it was unclear whether Russia's navy should be oriented toward defense or offense. It was clearly the financial side of the question which concerned him most, however. His continued desire to cut naval and other military expenditures had been demonstrated most recently in the fall of 1909,

after Stolypin had expressed satisfaction that the military branches were finally coordinating their activities and thereby justifying greater confidence. In September, for example, he attempted to persuade the Council of Ministers to reduce sharply normal naval expenditures by cutting away antiquated vessels and superfluous personnel. While agreeing in principle that operational expenses should be cut as far as possible, the Council slashed only a token amount from the naval estimates—a clear defeat for the Finance Minister.[62] This decision by the Council can probably be attributed to an awareness of the Tsar's desire for a naval program, as well as to the compliance of Voevodskii in meeting Stolypin's demands for coordination with the army. Furthermore, by this time the Conference on Shipbuilding was in continuous operation, a further guarantee to Stolypin that the implementation of naval programs would be performed rationally, efficiently and not completely free of united governmental influence.[63]

Kokovtsev was clearly now faced with a current within the Council of Ministers (led by Stolypin) favoring the rapid passage of some long-range shipbuilding programs. It was still up to him, however, to seek assurances that the integrity of the State budget and Tsarist finances would not be seriously violated. At the Conference session of December 14, 1909 he noted that the joint army-navy plans required 150 million each year for ten years. The Ministries had not been clear about proposed means of financing these

measures. If it were done through extraordinary funds, then by the end of the ten-year period the cumulative interest on the initial loans would actually be equal to the normal yearly increases in revenues, thus removing the possibility of satisfactory growth in the expenditures of other departments. The situation required further study concerning the means to finance such military ventures, which Kokovtsev pledged to supply to the Council of Ministers when it met to discuss the programs.[64]

Kokovtsev's arguments prompted Stolypin to set up what he hoped would be a working guide for expenditures: an increase of 90 million per year for the military departments, perhaps 60-40 in favor of the War Ministry. He instructed the Ministers and Chiefs to work out a distribution of expenditures before the next Conference session, scheduled for January 2, 1910.[65] They complied with this command and presented new figures: 698 million or 69.8 million per year for the naval program and 736 million or 73.6 per year for the War Ministry's measures. As Stolypin pointed out, these estimates were clearly above the guideline he had favored in December, adding up to 1,280 million rather than 900 million for ten years. If the costs of the Amur and Siberian railroads were included, the total expenditure for the following decade on military-strategic measures would come to the enormous sum of 1.7 billion.

Although the Finance Minister had stated that he would postpone detailed comments on the military requests until

the next session of the Council of Ministers when there would be greater civilian representation, Stolypin's remarks prompted him to speak. He felt it necessary to emphasize that in no way could the military programs be put in the same financial categories as Asiatic railroads. While earlier he had stated that the use of extraordinary funds would create a great burden on Russia's future normal expenditures (as interest payment), Kokovtsev now focused on legal imperatives. He argued that the law was very specific in demanding that constant expenditures be put in the "normal category;" it could not be denied that the building up of military security was a persistent need which would not disappear after a few years. Therefore, if the military programs were to become a reality, additional sources from the ordinary budget would have to be found to cover them. He suggested that the legislative institutions should play a major role in the acquisition of new revenues, just as they would in the determination of appropriate categories for defense spending.[66] The special Conference closed with the military departments and the Finance Minister still far apart on the size of future expenditures, but all under Stolypin's instruction to make reports to the Council of Ministers on problems of funding.

The Council session of February 24, 1910 was the culmination of several years of efforts to develop a coordinated and detailed program for national defense. The bulk of the discussion centered around financial questions, since by now

the necessity of a shipbuilding plan (and associated army expenditures) had a firm mandate within the Government. In response to the Navy Minister's request for 698 million (unchanged since January) and the War Minister's recommendations for 715 million (less 21 million since the last figures) Kokovtsev set down certain financial preconditions.[67] First of all, he wanted assurances that vast supplementary requests above those outlined in the plans would not be made soon after approval. He then attempted to ease the burden on the Treasury by urging a more balanced distribution of expenditures over the ten-year period, rather than the heavy concentration in the first years as was the case in the current drafts. It was even suggested that perhaps a twelve-year period for the same total sums might be easier for the Treasury to fulfill, since military expenditures as a whole were reaching "threatening proportions."[68]

The Council of Ministers supported many of Kokovtsev's recommendations, including a more even ten-year distribution, restraint on further requests, and the use of established yearly budget procedure to determine the final amounts to be included in ministerial estimates. Moreover, the Council accepted Kharitonov's suggestion that a special accounting be made of the sums spent in the military programs. As for means of providing funding, the Council of Ministers rejected the idea of using the extraordinary category, and decided instead that new normal sources of revenue would have to be found.[69] A most important feature of the military plans as

accepted by the united Government, in fact, was that they were made contingent upon the passage of certain financial measures by the legislative institutions. A declaration signed by Stolypin, Kokovtsev, Sukhomlinov, Voevodskii and the joint Chiefs outlining the shipbuilding and army plans, as well as pointing out necessary financial projects was sent to the State Duma on March 25, 1910.

The basic point of the secret message was that new sources of normal revenues had to be found to supplement the natural yearly growth of 60-70 million rubles. It was most urgent that the legislative bodies pass the tax projects which the Finance Minister had submitted years before: the income tax and inheritance tax, changes in the schedules of the land tax, reforms in the tax on immovable property and others. This would only cover approximately half of the new expenditures authorized by the military programs, however. The only practical solution to the shortage of funds was to raise the limit on the selling price of vodka and alcoholic beverages. Legislative action was required to raise the maximum from 8 rubles 40 kopeks per vedro (bucket) to a suggested 10 rubles. If the Duma and State Council acted quickly to pass the long-standing tax measures and new proposed rates for vodka, then the military programs could be implemented with normal revenues, with perhaps something extra left over for cultural programs as well.[70]

From the spring of 1910 on, the major delays in passing and implementing the naval program came from the legislative

institutions, for reasons which will be discussed at length in Chapter VI. For now it is sufficient to note that the Duma had already demonstrated an aversion to passing the Government's April 17, 1907 tax program. The additional suggestion of increasing revenues from the liquor monopoly was not well received in society at a time when the moral and economic lapses caused by the consumption of vodka were getting greater attention. Shatsillo points out, furthermore, that there was a definite connection between the Duma's resolution that no new taxes were needed and the improvement in the State's financial picture which became quite evident by 1910.[71] By this time the impact of a record 1909 harvest, enlivened economic activity and improved performance from the State's economic enterprises had made it clear that for the first time since 1888, Russia would have budget surpluses without loans.[72] This made it entirely possible to finance the programs for military reconstruction with the free surpluses which were now to be expected every year. Other issues, however, such as the Duma's continuous conflict with the leadership of the Naval Ministry and the doubts of several influential figures (such as Guchkov) about the wisdom of active combat fleets remained as obstacles to prompt passage of the Government's program.

On February 3, 1911, Naval Minister Voevodskii, very impatient over the delays to passage of his ten-year plan, asked the Council of Ministers for permission to request a special authorization for four dreadnoughts from the Duma,

to be constructed independently of the broader program which was still awaiting legislative confirmation. The Council rejected this (at Kokovtsev's special urging) on the grounds that the integrity of the full program which had been introduced by the Government had to be maintained.[73] Thwarted by the Duma and still not adequately encouraged by the Council of Ministers, the Naval Ministry responded by actually increasing the scope of its demands on the grounds of changing economic, technological and international conditions.

On April 4, 1911 the Tsar enthusiastically received two documents from the Naval Ministry, one calling for a Law on the Russian Fleet to cover massive building on three seas over 22 years (at a total cost of 2.7 billion rubles), the other a more specific proposal for strengthening the Baltic Fleet between 1911-1915 at a cost of 512.6 million. The latter was conceived as an initial segment of the 22-year program. It was worked on within naval circles during the year and finally submitted to the Council of Ministers on December 15, 1911.[74] The Council posed a number of questions, the most troublesome being the relationship between the new 1912-1916 plan and the 698 million measure submitted to the State Duma March 25, 1910. This lack of clarity applied both to the problem of degree of coordination with land force needs demonstrated by the new project and the financial aspects.[75]

The latter were particularly disturbing in light of the pressures being put on the Treasury for naval outlays in the

immediate future. It was not only a matter of 512.6 million over five years; also to be considered were the 180 million emergency credits to build up the Black Sea Fleet in response to Turkish construction as well as other millions for ships, mines and artillery. Counting the new proposals, the entire sum would total ca. 760 million over five years, more than the March 25, 1910 program had designated for a period twice as long. The Council of Ministers called a special conference to deal with these questions.[76]

The conference met in January 1912 and was under constant pressure from Naval Minister Grigorovich (with the universally acknowledged support of the Tsar) not to make substantial revisions in the Naval Ministry program. The Council met again on February 23, 1912 and demonstrated that the pressure had not been exerted in vain; a sum of 502.7 million rubles was accepted, with modest expenditures beginning in 1912, and the bulk coming between 1913 and 1917. An indication of how high a priority the naval program had become, and how much improved the general financial picture was considered, was the willingness of Kokovtsev to postpone consideration of precisely where the funds would come from.[77] Finally in March 1912, a slightly modified program was submitted to the Duma in two parts; 421.1 million for ship construction and 71 million for port renovation. There it was discussed at great length in a highly charged atmosphere, with the results being the passage of the shipbuilding requests and postponement of the credits for ports. The project

was finally affirmed by the Tsar on the 27th of June, 1912, over seven years after the preliminary initiatives to create a broad plan for the reconstruction of Russia's naval forces.

Interpreting Russia's Military Needs

The demands of the army and navy for funds and a relatively free hand to use them were made in a new political and institutional environment after 1905. The Council of Ministers had been created to consolidate the instruments of government into one agency, and to coordinate all of Russia's needs, both military and civilian, from the broadest possible perspective. The immediate financial crisis following the war and revolution, as well as the prospects for enormous new demands for expenditures on cultural and productive enterprises strengthened the hand of the Finance Minister, Kokovtsev, who sought to judge all requests for credits from a strictly budgetary viewpoint. The efforts of the Finance Ministry and Council of Ministers resulted in a substantial number of cuts in military appropriations from the original figures requested by the War and Navy Ministers.

At a Council of Ministers session on June 9, 1909 it had been affirmed that economic and cultural priorities could not be permitted to stagnate, and that the Treasury had reached its limit on expenditures for the military departments.[78] The budgetary allocations for the years after

1906 revealed that this was not an empty declaration. Table VII shows that considerable constraints were put on normal military expenditures. According to the statements of the Ministry of Finances, the total military budget for 1909, 1910 and 1911 showed relatively small increases compared with 1908 (when pent up needs were satisfied somewhat) and later years when war became a more immediate threat.[79] Sidorov shows quite clearly that the scope of paring down the budget can only be fully appreciated if the finally approved estimates are compared with the original requests of the military departments. The following cuts were made by interdepartmental conferences and the Council of Ministers from the preliminary estimates of the War Minister: 50.7 million in 1909 (33.1 from the quartermaster department), 30.3 million in 1910, and 35.0 million in 1911.[80] Furthermore, while granting extraordinary credits of 162 million rubles to the War Ministry from 1909-1913, the Finance Minister also cut 75 million, mostly on armaments.[81] During the entire period, as we have seen above, the Government put up substantial resistance to immediate implementation of major naval programs as well, which resulted in considerable delays.

TABLE VII

EXECUTION OF ORDINARY BUDGET
(In Millions of Rubles)

Ministry	1907	1908	1909	1910	1911
War	406	463	474	485	493
Naval	87	94	92	113	121

Source: Pogrebinskii, Gosudarstvennye finansy tsarskoi Rossii, pp. 74-75.

After 1911 the pressure for acquiescing to the demands of the military became especially intense. In the first place, the improvements in the general budgetary picture removed Kokovtsev's most persuasive argument against greatly increasing the military estimates. Of major, but incalculable importance was the death of Prime Minister Stolypin in 1911 which removed a voice which had stood firmly for balanced priorities and subordination of all departments to the civilian Council of Ministers. Added impetus for military spending came from the worsening international situation which made the military establishments all through Europe more influential. By 1911 it had also become more difficult to delay army and navy appropriations, since these branches had fulfilled a number of the major criteria established in 1907-08—the compilation of comprehensive plans and the more rational internal use of resources. A factor of a purely personal nature was the rising star of General Sukhomlinov in the immediate pre-war years, in contrast to the growing isolation of Kokovtsev who had replaced Stolypin as Chairman.

Sukhomlinov had established very close relations with the Tsar by 1911 as a result of his unflinching loyalty to Imperial prerogatives (and his scorn for the Duma), as well as his refusal to criticize the increasingly powerful Rasputin.

These factors did not remove the basis of conflict between advocates of the military and their opponents who continued to exert the kinds of pressures which had been most effective from 1906-1911. In fact, in post mortems on the causes of Russia's defeat in the world war, a number of critics pointed to civilian intransigence as a major factor which had weakened Russia's military posture. General Golovine points to a "continual lack of funds," and a tendency to "sacrifice...combat requirements to financial considerations."[82] Rediger and Sukhomlinov for the army, as well as representatives of the navy, speak with bitterness about the disregard for military priorities and necessities which was manifested by the Finance Ministry and Council of Ministers. Rediger recalled with bitterness how his autonomy came under increasing fire in 1906 as Stolypin began to assert his desire to "manage things despotically in the army." From his perspective it seemed that the "Council attached no significance to the combat readiness of the army."[83] The major enemy was the Minister of Finances:

> The Council was against the War Ministry and supported any argument of Kokovtsev. This was fully comprehensible; with the lack of money and the enormous demands of all departments wishing to widen their activity and improve their structure,

> any extra appropriation to the army lessened the sum on which other departments could count; the army then was not enjoying the favor of the Council which held that there was no need to hurry to satisfy its needs. Furthermore, the support of Kokovtsev in such questions by other Ministers is also explained in part by the fact that the success of their own petitions for the very same funds was dependent to a significant degree on his attitude toward these petitions; this explains the great influence of Kokovtsev in the Council.[84]

The perpetual battles between Rediger's successor, Sukhomlinov, and Kokovtsev are clearly depicted in the memoirs of each. Epitomizing the confrontations which lasted over five years was a serious encounter in the spring of 1908 when Kokovtsev warned that the 1909 budget could not be increased, to which the War Minister replied, "no money, no army."[85] Later Sukhomlinov would point to "Kokovtsev's hostility to the budget of the War Ministry" as a factor in the disasters which followed.[86] This position is shared by the Soviet scholar A. L. Sidorov (although in far less simplistic terms), when he argues that responsibility must fall on the entire Tsarist Government, in particular its heads Stolypin and Kokovtsev.

> They defined the general contours of financial policy, the policy of non-deficit budgets—and systematically cut military appropriations which could not help but slow the tempo of the reorganization of the army and lower its military-technological readiness for war.[87]

This criticism directed at the makers of budgetary policy tells only a part of the story. In the first place, the Government was not quite as unremittingly hostile to military expenditures as Rediger and Sukhomlinov would have us believe. Even in the period of most severe financial pressure, from

1906-1908, the Council of Ministers often found some compromise figure between those demanded by the Finance and War Ministers.[88] During the years of abstinence, the military portion of the State budget continued to occupy a predominant place, with the total of normal and extraordinary expenditures falling only to 23.5 percent of the whole in 1911, and recovering strongly after that year.[89]

It is also advisable to be cautions about blanket condemnations of Russia's military readiness in 1914. The Tsarist forces were not, after all, thoroughly crushed by Germany and Austria-Hungary, although they suffered and bled heavily. Certainly on a great number of criteria Russia's army was weak when compared to that of the Kaiser, including levels of armaments and supply, artillery organization, aircraft and the quality of the officers corps.[90] Comparative weakness and eventual defeat (with the latter arising directly from internal events) should not obscure the improvements within the army after 1906, made under the reformed State system. A. M. Zaionchkovskii, a generally harsh critic of the Tsarist establishment, sees among the more positive changes after 1909 the reorganization of the reserves, increases in artillery and improvements in the coordination of various branches.[91] Brussilov, although cognizant of the weaknesses of the army, still felt it necessary to point out that Sukhomlinov by 1914 "had done a great deal since the time when he took office five years before." Sukhomlinov's blunders were more often in the political arena, where he

feuded with representatives of society instead of seeking bases for accord.[92] Walz also lists an "impressive" total of accomplishments, all forced upon the War Ministry by a Government demanding improvements in the internal use of existing (or modestly increased) resources. Among the initiatives of Sukhomlinov which required little in the way of new monetary expenditures were the formulation of new deployments schemes for the peacetime army, a new mobilization schedule and organizational reform of the supply system to achieve greater efficiency.[93] In the same way, the delays in approving a massive naval program by the united Government until 1910 (and by the Duma until 1912) forced that ministry into many internal changes which cannot be said to have weakened Russia's military readiness. Among these were the creation of a Naval General Staff, the reorganization of naval factories on a more efficient basis and a rearrangement of the institutions of technical training. Conventional wisdom would also support the view that forcing the naval authorities to coordinate their activities more thoroughly with the land forces was helpful to Russia's defense posture, even if delays in ship construction were by-products of this governmental demand.

It must also be pointed out that limitations on the amount of new credits made available to the military departments were based on factors other than financial shortages and means of coercing reform. It can be argued convincingly that the military establishment was unable to cope adequately with vast

increases in funds, and left millions of appropriated rubles sitting idle from year to year. Reasons for this might have included bureaucratic inefficiency of military executives, the backwardness of defense industries which could not keep pace with demands from the army and navy, and lack of adequate planning of how to use available resources promptly.

Even if Russia's military establishment could have absorbed more funds productively, and required greater independence to make the Empire more secure from foreign enemies, the challenges of broadscale modernization made it nearly impossible for this policy to be pursued. By fighting for increased funds and autonomy, the managers of the army and navy were naturally acting on the premise that the immediate reconstruction of the armed forces on their own terms was the dominant priority for Russia. From Kokovtsev's viewpoint, however, there could not be a truly strong Russia without fiscal prosperity and reserves of money in the Treasury, and thus it was necessary to subordinate the military to strict budgetary norms and guidelines. Stolypin also felt the necessity of establishing controls over the appetites and autonomy of the army and navy, partly because he wanted resources available for social and economic programs. Equally important, however, was the conviction that for the development of a healthy State in the long run, a coordinated authority was required which could make policy from a broad perspective capable of evaluating all aspects of Russia's backwardness. It can be argued that the long-range needs of

guiding Russia's development could only be served by promoting an institution like the Council of Ministers, even when in the short-term this might have tended to retard the immediate military buildup required for national security. The dilemma facing Russia was that weakening the institution required for political, social and economic development by catering to the military branches might have strengthened the army and navy somewhat; but as 1917 would prove, dangers to the future of the regime were to be found not only in the shortcomings at the front, but in the legacy of inadequate attention to the human needs of the country as well. Even a stronger army might have found nothing left to save.

Footnotes

[1]Quoted in Sidorov, Finansovoe polozhenie Rossii, p. 54.

[2]K. F. Shatsillo, Russkii imperializm i razvitie flota (Moscow, 1968), pp. 44, 48.

[3]Ibid., pp. 121-23.

[4]Pogrebinskii, Gosudarstvennye finansy tsarskoi Rossii, pp. 56-58 and Sidorov, Finansovoe polozhenie Rossii, p. 21. A. Michelson gives a figure of 3.01 billion rubles for total expenditures with the higher total coming perhaps from inclusion of interest payments and post-war liquidation. He is unclear on this point. Michelson, Russian Public Finance, p. 68.

[5]Shatsillo, Istoricheskie Zapiski, No. 83 (1969), p. 126.

[6]"Zapiska A. F. Redigera o 1905," Krasnyi Arkhiv, No. 45 (1931), p. 95.

[7]"Iz zapisok A. F. Redigera," Krasnyi Arkhiv, No. 60 (1933), pp. 107-09.

[8]Kokovtsev, Out of My Past, pp. 17-18.

[9]Ibid., pp. 18-20, 46-49.

[10]Ibid., pp. 17-18. In his memoirs, Kokvtsev took every opportunity to debunk the widely held theory that his niggardliness was responsible for Russia's lack of military preparedness in 1914. The effort to disprove this theory naturally colors his account of 1904-05 as well. However, it does seem true that in the midst of war there was very little he could do to control the appetites of the departments.

[11]Romanov, Russkie finansy, pp. 132-33.

[12]Ibid., pp. 136-37.

[13]Ibid., pp. 137-45. Count Lamsdorf responded to this report with a defense of his diplomatic maneuvers, in particular pointing to the fact that China and England had not

become engaged in the struggle. He urged that the questions of financing fleet construction be the subject of further discussions within the Government. Soon afterwards, Kokovtsev wrote to Lamsdorf in a more conciliatory manner, acknowledging the difficulties of diplomacy, but repeating firmly that Russia was too weak to prepare for new conflicts. Ibid., pp. 142-48, 152-53.

[14]Sidorov, Istoricheskii Arkhiv, No. 2 (1955), pp. 140-42.

[15]Romanov, Russkie finansy, pp. 349-50.

[16]Ibid., p. 358.

[17]Ibid., p. 360.

[18]Ibid., pp. 361-62.

[19]Osobyi Zhurnal, No. 85 (June 9, 1909).

[20]Ibid., pp. 4-7.

[21]Ibid., pp. 2-3, 16-20.

[22]Ibid., No. 191 (November 16, 1910), pp. 1-4.

[23]Ibid., No. 141 (June 6, 1911), pp. 2-4.

[24]Romanov, Russkie finansy, p. 352.

[25]Ibid., p. 354.

[26]In January 1907, for example, it was determined that a War Ministry request for over 150 million rubles for the construction of barracks and replenishment of supplies had to go through normal legislative channels, although this would necessarily entail some delays. Osobyi Zhurnal, No. 2 (January 3, 1907), pp. 7-8. On another occasion three years later Deputy War Minister Polivanov argued that Article 17 should be used to make final payment to creditors of his department, since no delay could be acceptable if the reputation of the army were to remain intact. The Council of Ministers disagreed, stating that Article 17 was to be utilized only "in very exceptional circumstances." This was especially true since the Duma had objected strenuously to its application in cases concerning the Quartermaster Department of the War Ministry. Ibid., No. 89 (May 4, 1910), pp. 3-4. For

other examples of strict adherence to Article 17, see ibid., No. 117 (May 12, 1911), pp. 2-3 (where only a small fraction of Naval Minister Grigorovich's requests were actually accepted), ibid., No. 146 (June 16, 1911), pp. 1-2, ibid., No. 78 (July 20, 1912), p. 2, and numerous others. In some of the cases recorded in the journal of the Council of Ministers, the requests were fulfilled in part, but in these instances the guiding philosophy of emergency use was always repeated.

[27]Ibid., No. 46 (February 26, 1908), pp. 2-3.

[28]Ibid., pp. 3-4.

[29]Ibid., No. 155 (May 20, 1908), pp. 2-6. The War Ministry was given special assistance by the laws of June 21 and December 29, 1910 which helped cover debts incurred by the army from 1893-1908. Ibid., No. 7 (January 19, 1912), p. 3.

[30]Ibid., No. 50 (February 6, 1907), pp. 1-3.

[31]Ibid., No. 122 (April 3, 1907), pp. 1-4.

[32]Ibid., pp. 4-5.

[33]Ibid., p. 6.

[34]Ibid.

[35]See Oron J. Hale, The Great Illusion 1900-1914 (New York, 1971), pp. 230-234, as well as Barbara Tuchman, The Guns of August (New York, 1962), pp. 329-32 on William's attraction to naval power caused in part by the work of Alfred Mahan, The Influence of Sea Power on History (Boston, 1890).

[36]Shatsillo, Russkii imperializm, p. 60.

[37]Ibid., pp. 50-63 gives a good account of the origins and development of the various shipbuilding programs, from which this chapter draws heavily.

[38]The Council was created by Imperial decree on June 8, 1905. John D. Walz, "State Defense and Russian Politics Under the Last Tsar" (unpublished Ph.D. dissertation, Department of History, Syracuse University, 1967), pp. 17-19.

[39]This rebuff did lead to a meeting between the two Chiefs of Staff, which resulted in a very general outline of strategic aims, which apparently satisfied no one. The document is reproduced in Shatsillo, Russkii imperializm, pp. 318-21.

[40]Ibid., p. 62.

[41]A. L. Sidorov, comp., "Iz istorii podgotovki tsarizma k pervoi mirovoi voine," Istoricheskii Arkhiv, No. 2 (1962), p. 125. The distribution was as follows: 101 million in 1908, 119 million in 1909, 75 million in 1910, and the remainder in 1911-1914; 55 million would be spent on restoring supplies to pre-war levels, 192 million on new instruments of war, especially artillery, and 68 million on special reserves in the Far East.

[42]Ibid., p. 126.

[43]Ibid., pp. 126-29.

[44]Ibid., pp. 129, 136-37.

[45]Osobyi Zhurnal, No. 217 (July 13, 1907), pp. 1-4.

[46]Ibid., No. 332 (November 13, 1907), pp. 1-14.

[47]K. F. Shatsillo, "Inostrannyi kapital i voenno-morskie programmy Rossii nakanune pervoi mirovoi voiny," Istoricheskie Zapiski, No. 69 (1961), pp. 74-77. Shatsillo points out that foreign companies and capital had numerous ways of getting hold of Russia's war industries, with what he considers to have been harmful consequences for State security. Ibid., pp. 78-100.

[48]Osobyi Zhurnal, No. 209 (December 2, 1908), pp. 1-3.

[49]Ibid., pp. 3-5.

[50]Ibid., p. 6.

[51]Ibid., p. 7.

[52]Shatsillo has traced a number of conflicts between the Conference and the Naval Ministry, based on the latter's reluctance to subordinate itself to the Council of Ministers.

Although Shatsillo puts the conflict entirely in terms of a pro-monopolist group (led by K. P. Boklevskii representing the Council of Ministers) and a fraction not dominated by the monopolists (the Naval Ministry), it seems correct to put the struggles within a context of competition for prerogatives between rival institutions. See K. F. Shatsillo, "Monopolii i gosudarstvennyi apparat Rossii," Voprosy Istorii, No. 12 (1962), pp. 44-46.

[53]Shatsillo, Russkii imperializm, pp. 65-66. The following account of the Special Conference sessions comes from the journals of August 3, August 24, December 14, 1909, and January 2, 1910, published as "Zhurnal Osobogo Soveshchaniia po rassmotreniiu programmy razvitiia morskikh vooruzhennykh sil Rossii" in ibid., pp. 322-31, 340-51 (hereafter cited as Zhurnal Osobogo Soveshchaniia).

[54]Zhurnal Osobogo Soveshchaniia, pp. 322-25.

[55]Ibid., p. 328.

[56]Ibid., p. 329.

[57]Ibid., p. 331.

[58]The report of the August conference is reprinted in Shatsillo, Russkii imperializm, pp. 322-40. It was approved by the Tsar on August 18.

[59]Zhurnal Osobogo Soveshchaniia, pp. 340-42.

[60]Ibid., p. 343.

[61]Ibid., pp. 343-44.

[62]Osobyi Zhurnal, No. 196 (September 9, 1909), pp. 1-5.

[63]The Conference on Shipbuilding was frequently referred to as a guarantor of rationality and efficiency in the implementation of naval programs, whose prerogatives had to be protected. At a January 5, 1910 session of the Council of Ministers the Naval Ministry asked for 9 million rubles to equip factories for construction of dreadnoughts over the next 4-5 years, as well as 15.4 million to renovate existing machinery. State Controller Kharitonov sought to postpone the request so that it could be submitted along with the broad naval program currently being compiled by the high level governmental conference. The Council of Ministers chose instead to

comply with the State Duma's desire to deal with the factories as a prerequisite to consideration of the main program, and thus permitted the request of 9 million for 1910-1912 to be included in the budget estimates. It was stipulated, however, that the administrative-financial aspects of restructuring the factories had to be turned over to the Conference on Shipbuilding as insurance that the credits would be spent with the greatest possible efficiency. Osobyi Zhurnal, No. 5 (January 5, 1910), pp. 1-6. Thus, despite the movement to a well-defined naval program then underway, the Council was not ready to ease its efforts to enforce rational and efficient operations in a Ministry notorious for waste and mismanagement. In fact, it was decided that the additional 15.4 million should not be approved, since it was questionable whether the Naval Ministry was capable of making general improvements adequately. It was resolved that the causes and remedies of indebtedness and inefficiency should be studied by the Conference on Shipbuilding whose subsequent recommendations were to be heeded. Ibid., p. 7. Even after the naval program had been approved by the Council of Ministers, constant reminders were made that the Conference had to be an integral part of the decision-making process. See ibid., No. 140 (June 6, 1911), p. 7 and ibid., No. 241 (November 3, 1911), pp. 1-3.

[64]Zhurnal Osobogo Soveshchaniia, pp. 344-45.

[65]Ibid., pp. 346-47.

[66]Ibid., pp. 349-51.

[67]The War Minister requested 715 million, including: sums not yet received from 1908-1910 appropriations to replenish supplies and materials—147 million; sums for fortresses—373 million; sums for heavy artillery—81 million; and sums for strategic highways—114 million. The Naval Ministry requested 698 million, including: sums for shipbuilding—593.3 million (478.8 in Baltic); sums for equipping the theatres of war (i.e., the military port at Revel', strengthening Kronstadt, etc.)—76.7 million; sums for emergency supplies—53.5 million; and sums for equipping factories—28.5 million. Sidorov, Istoricheskii Arkhiv, No. 2 (1962), p. 132.

[68]Ibid., pp. 132-35.

[69]Ibid., pp. 135-39.

[70]Ibid., pp. 145-51.

[71]Shatsillo, Russkii imperializm, pp. 206-07.

[72]Pogrebinskii, Gosudarstvenny finansy tsarskoi Rossii, pp. 70-71 for tables showing the substantial rise in normal revenues for 1910, while normal expenditures were held down. This contributed to a surplus of nearly 200 million rubles in the overall budget (normal and extraordinary) as indicated later by data of the State Control. At the time it was not clear that the surplus would be so large, but that a turning point had been reached was obvious to all but the most recalcitrant.

[73]Osobyi Zhurnal, No. 26 (February 3, 1911), pp. 1-2.

[74]Shatsillo, Russkii imperializm, pp. 72-73. It was changed to cover the years 1912-1916 with appropriations of 89 million, 121, 121, 103 and 78 respectively. Osobyi Zhurnal, No. 268 (December 15, 1911), p. 2.

[75]Sukhomlinov continued to oppose the movement toward naval expenditures, especially as he became convinced that the needs of the land forces were being systematically disregarded. Vladimir A. Sukhomlinov, Vospominaniia (Berlin, 1924), p. 224.

[76]Osobyi Zhurnal, No. 268 (December 15, 1911), pp. 1-5.

[77]Ibid., No. 24 (February 23, 1912), pp. 1-6.

[78]Sidorov, Finansovoe polozhenie Rossii, pp. 62-63.

[79]Ministerstvo finansov 1904-1913, p. 16.

[80]Sidorov, Finansovoe polozhenie Rossii, pp. 64, 69.

[81]Ibid., p. 73. The total of requests cut by the War Minister himself (made by lower echelon figures and agencies within his department), knowing that the Council of Ministers would do it on its own, was far greater. Ibid., pp. 76-79.

[82]Nicholas N. Golovine, The Russian Army in the World War (New Haven, 1931), pp. 32, 34.

[83]"Iz zapisok A. F. Redigera," Krasnyi Arkhiv, No. 60 (1933), pp. 127, 129.

[84]Ibid., p. 132.

[85]Polivanov, Iz dnevnikov, p. 66.

[86]Sukhomlinov, Vospominaniia, p. 218.

[87]Sidorov, Finansovoe polozhenie Rossii, p. 75.

[88]TsGIA f. 1276 op. 3 d. 201 ll. 7-8, Osobyi Zhurnal, No. 94 (March 13, 1907) and others.

[89]Pogrebinskii, Gosudarstvennye finansy tsarskoi Rossii, p. 75. Soviet historians have often taken the view that excessive military expenditures overburdened the country.

[90]A. A. Brussilov, A Soldier's Notebook 1914-1918 (London, 1930), p. 13 and Golovine, The Russian Army, pp. 1-44.

[91]A. M. Zaionchkovskii, Podgotovka Rossii k mirovoi voine (Moscow, 1926), pp. 91-94.

[92]Brussilov, A Soldier's Notebook, pp. 10-11. An editorial in Golos Moskvy supports this view at a time when relations between the Octobrists and the War Ministry were particularly strained. Golos Moskvy, June 13, 1913.

[93]Walz, "State Defense and Russian Politics," pp. 195-98.

[94]See Michelson, Russian Public Finance, p. 71. Although Sidorov tends to blame Stolypin and Kokovtsev most heavily, he does state that out of 880.9 million newly authorized credits for the War Ministry from 1908-1913, only 377.2 were actually spent as of 1913. Finansovoe polozhenie Rossii, p. 81. Kokovtsev made this kind of argument with the aim of discrediting his personal enemy, Sukhomlinov, who responded that the Finance Minister was using deception.

CHAPTER VI

THE DUMA AND STATE DEFENSE

Duma-Army Relations

The reconstruction of Russia's military forces was carried out not only within the context of competing administrative tendencies, but within the political and institutional framework created by the State Duma as well. According to Guchkov, the question of national defense was "perhaps the favorite of the State Duma," and had the effect of "uniting people of the most diverse parties."[1] It is clear, however, that the Octobrists in particular sought to wear the mantle of patriotism attached to the strengthening of Russia's military forces. Guchkov had himself elected Chariman of the Duma Commission on State Defense, a position which he hoped would have a major role in determining military policy. Moreover, the Commission was purged of undesirable elements in 1907, through the exclusion of Kadets and leftist parties which were denounced as untrustworthy. Despite their professions of loyalty, the Constitutional Democrats were excluded on the grounds that their activities of previous years had been detrimental to national security.[2]

Early in the third Duma's tenure, the Octobrists made it clear that military power and Great Power status were high

priorities. Speaking for his party, A. Eropkin declared that

> ...there is one area of the State economy where miserliness in expenditures of national means is not only inexpedient, but clearly impossible; that is the sphere of national defense. These expenditures are connected with the might of Russia, her prestige among the powers, her growth, her credit—and in this area, expenditures must be broad, and monies found.[3]

However, the Octobrists clearly did not have in mind passive authorization of funds by the State Duma, to be used in carte blanche fashion by the administrative agencies. On the contrary, the defeats at Mukden and Tsushima had convinced them that military reconstruction required active public scrutiny and participation. It was up to the Duma to strengthen those representatives of the armed forces which stood for progress and rational change, and to insist on the reorganization and restaffing of those institutions and commands responsible for defeat.

The most prominent ally of the Octobrists in the army establishment was War Minister A. Rediger, described by Guchkov as "intelligent, educated and noble,"—a man who supported the Duma by revealing "all the defects of military organization to the Commission [hoping] with its help to secure the credits he required."[4] Rediger showed his awareness of the Duma's budgetary role as early as May 1906, when he told the Kadet first Duma President Muromtsev that he was totally apolitical; his only concern was with military matters which he hoped the Duma would promote.[5] Later he opposed the fixed military budget (predel) not only because it kept army appropriations restricted, but because the separation

of military expenditures from normal legislative procedure might evoke the Duma's hostility toward the army. Rediger was rewarded for this concern by very sympathetic treatment at sessions of the Commission of State Defense; according to his Deputy, A. Polivanov, the common interests of the War Minister and Guchkov were quite evident.[6]

This spirit of cooperation extended well beyond the confines of official Duma conference rooms; it was promoted by informal and personal relationships which allowed the Octobrists and their army allies to exchange information and opinions on military matters. War Minister Rediger, for example, would often invite five or six leading Commission workers to tea, where major questions of defense could be discussed in a cordial atmosphere. At one such session, the Commission members urged Rediger to demand increases in the salaries of the officers corps, and promised their support if Kokovtsev or others opposed this measure.[7] In this way, the Octobrists were able to influence military policy by combining with a favored department to pressure the Council of Ministers. Even more direct influence was exerted in joint Duma-ministerial conferences which were held to facilitate passage of military projects or authorizations through the legislative institutions.[8] Finally, Guchkov had contacts with a circle of experts from the Army General Staff (both retired and active), which provided the Duma Commission with valuable insights and recommendations. Deputy War Minister Polivanov occasionally participated in these informal

gatherings, supplying inside information in a most candid and open fashion.[9]

This spirit of cooperation between the War Minister and Octobrists was not enough to assure their control over military affairs, however. They still had to compete for power with institutions and personnel who were independent of the War Ministry, and largely immune to public pressure: the General Staff, Council of State Defense (chaired by Grand Duke Nikolai Nikolaevich) and the Chief Inspectorates (i.e., of Artillery, Engineering) held by other members of the Imperial family. Guchkov therefore chose the tactic of publicly exposing and discrediting these institutions and figures whose existence prevented the consolidation of a "unified responsible authority" under the War Ministry (and indirectly the State Duma).[10] Although they were unable to show open support for the politically sensitive campaign, Rediger and Polivanov were undoubtably sympathetic with such efforts.[11]

The heart of the Octobrist critique was that the command structure of the army was riddled by bureaucratism and incompetence which repressed energy, talent and creativity. The General Staff in particular had demonstrated an abysmal lack of knowledge, leadership, independence and initiative, with the weak and influential rising to command positions while the bold and healthy elements were forced into subordinate roles. In an important speech on the estimates of the War Ministry on May 27, 1908, Guchkov focused on the institutions which were to him the symbols of the discredited old

system of army leadership: the Council of State Defense and the Chief Inspectorates. In his view, these institutions, staffed by the beneficiaries of nepotism and favoritism, were the source of ineptitude and anarchy of command. They weakened the coordination of army affairs which should have been concentrated in the office of the War Minister, and wreaked havoc on the efforts at genuine military reconstruction which had supporters within and outside the administration. Exalted social rank was not to be allowed to interfere with the implementation of decisions based on expertise and merit:

> Whatever the importance of other questions which pass through this hall, we must admit that at the historical moment at [sic] which we live, questions of state defense and state security must take precedence over all others.... During this period of sacrifice this small number of irresponsible persons must renounce the positions of esteem and material advantage they now hold.[12]

Guchkov went on to urge support for the progressive forces within the military administration, and to reiterate his support for enormous expenditures to rebuild Russia's shattered army.[13]

Guchkov pursued this critique even more vigorously during the Duma debates over the following year's army estimates, in 1909. He reaffirmed his basic sympathy for the needs of the land forces, and reminded those present that the Duma had agreed to large normal appropriations for 1909 (cutting only 4 million out of 470).[14] But this willingness to grant credits was not to deter the Duma from exposing shortcomings

and weaknesses. In Guchkov's view, the Artillery, Engineering and Quartermaster Departments, all headed by Grand Dukes, were guilty of gross incompetence and waste. He argued that the information gathered by Senator Garin's special investigation of the supply procurement system should be the basis for thorough reform and replacement of personnel. The aim of the proposed changes would be the consolidation of these branches (especially the Commissariat) under the War Ministry. This would be tantamount to establishing a permanent and continuous inquiry by public opinion since, as Guchkov proclaimed, "there is no one who would be more interested in having the procedures of his department discussed openly and publicly... than the War Minister."[15]

The Duma and Naval Programs

The tactic of condemning waste and incompetence was pursued with particular intensity in regard to the naval establishment, and took concrete form in the Duma's rejection of new credits for shipbuilding in 1908. A number of factors account for this decision, the most obvious being the Duma majority's inclination to discount the importance of the fleet for Russia. Guchkov and other activists concerned with military affairs shared the doubts about the Baltic dreadnoughts that were expressed by anti-naval forces during the intra-governmental discussions. The training of many Octobrists in army educational institutions, and their participation in the

land forces during the Turkish and Japanese Wars, made them partial to the army as the bulwark of the Empire.[16] This attachment to the traditional view of Russia's strategic position is consistent with the explanation given in a recent article by J. F. Hutchinson. He argues that support of army programs and rejection of naval credits for the Baltic fleet were designed to further the Octobrists' imperialist ambitions in the Balkans; clearly a northern fleet directed against Germany was not the ideal instrument for achieving a satisfactory solution to the Eastern question.[17]

It does not seem necessary, however, to discount (as Hutchinson does) an additional explanation for the rejection of dreadnought credits (advanced by G. Hosking among others)—the determination of the Octobrists to make naval funds a demonstration of their constitutional prerogatives and rightful influence in all military affairs. In the view of Guchkov and his Duma colleagues, the organization and staffs of the naval administration were a symbol of all that the October Manifesto was supposed to abolish. The Naval Ministry in particular represented the very forces and practices of the old regime which had led to the disasters of 1904-05. According to Shatsillo, it was "distinguished by disorder and wastefulness rare even by Russian standards."[18] Two incidents helped to discredit the naval authorities in the period immediately following the war; the disastrous fire at the Obukhov shipbuilding factory (probably caused by negligence) and the so-called "Rurik incident." The latter involved the contracting,

in the fall of 1905, of a cruiser (the "Rurik") to be constructed by the British company Vikkers. Instead of following the usual procedure of having the ship built abroad and the guns installed in Russia, the Naval Ministry complied with the company's demand and sent its highly confidential plans for gun emplacement on to England. Coming not too long after Lamsdorf's warnings of future hostilities with England, this action on the part of the Naval Ministry was viewed as an unforgiveable breach of security. According to the Progressist Efremov, both incidents reinforced the belief in society that Russia was endangered by the uncontrolled irresponsibility of the naval establishment.[19]

In sharp contrast to Duma-army relations, there was a notable absence of communications between the Octobrists and the officials of the Naval Ministry. This made it easier for the Duma Commission on State Defense to recommend rejection of credits, since there was no reason to avoid putting the Naval Minister in an extremely embarrassing position. The day after the Commission acted, an editorial in Golos Moskvy praised the patriotic struggle with the "vestiges of the Tsushima regime strongly rooted in our naval structure." It was predicted that the rejection of the credits would lead almost inevitably to the resignation of the Naval Minister and the appointment of one willing to reform his department. Although acknowledging that such a change in personnel did not depend legally on the Duma majority, the editorial argued that the legislative institutions could not be excluded from

participation in naval matters. The Government needed the "support and confidence" of the representatives of the people, and would therefore act to satisfy their demands for a reorganization and restaffing of the naval establishment. Looking with confidence to a future of increasing Duma influence and power, the editorial concluded finally that "the strongest and firmest maturation of Russian constitutionalism will be accomplished not so much in the legislative area, as in the sphere of control functions."[20] Whatever the underlying foreign policy objectives of the Octobrists, the rejection of dreadnought credits was undoubtably an important test of constitutional aspirations and the power of public institutions.

Stolypin, the Duma and Naval Credits

The early indications of Duma opposition to new shipbuilding credits put Prime Minister Stolypin in a difficult political position. On the one hand, the disorders in the naval department as well as its tendency to act independently were as disturbing to him as they were to legalistic-minded parliamentarians. In Guchkov's view, in fact, Stolypin favored the general line taken by the Octobrists against Grand Ducal power, the Council of State Defense and the Naval Ministry, since these institutions and individuals were not under the power of the Council of Ministers and weakened its authority. A number of scholars and observers have pointed to a tacit

understanding between Guchkov and Stolypin involving the latter's granting to the Duma of considerable leeway in military affairs.[21] The Deputy Chairman of the Duma Commission on State Defense, V. V. Khvoshchinskii, claimed that rejection of the dreadnoughts was not a sign of lack of faith in Stolypin, who had himself promised to support reforms. Rather, the action was evidence of the difficulties inherent in the task; the Duma was "doing the Prime Minister a service by freeing him of it."[22] In a similar vain, the columnist E. Trubetskoi noted that many actually believed that Stolypin himself secretly worked to encourage the Duma's rejection of naval credits.[23] Although there is no evidence available to support this particular claim, its widespread publicity reflected an important assumption underlying the Octobrist activities: the conviction that Stolypin and other progressive statesmen basically sympathized with their goals, despite occasional wavering caused by negative pressures from the Court and reactionary bureaucrats. Octobrist tactics were designed in part to prod Stolypin into displaying his genuine constitutionalist sentiments, despite these countervailing forces.

In fact, the pressures on Stolypin to repudiate the Octobrists' agressive Duma tactics were far stronger than Guchkov and his colleagues expected. In the first place, the Prime Minister himself believed in the necessity of a combat fleet, as was demonstrated during the intra-governmental debates on naval programs. Second, and more important, the Emperor was dedicated to making Russia a great naval power.

His resentment toward the Duma for its obstructionism was heightened by general outrage at legislative pretensions in military affairs, with the major focus of Nicholas' displeasure being the Guchkov-led Commission on State Defense. He considered this a source of continuous efforts to limit Imperial prerogatives, to insult the Tsar and his family, and to discredit the armed forces. In 1909 Nicholas acted on these long-simmering feelings by dismissing Rediger who "twice in the Duma [1908 and 1909] not only did not refute the speeches of Gutchkoff, but even agreed with him and so did not defend the honor of the army."[24] Rediger had been discredited by his associations with the Octobrists, the Duma fraction which Nicholas accused of seizing that [military prerogatives] which did not belong to them.[25] The new War Minister, General A. Sukhomlinov, was a man whom the Tsar believed would preserve the army's honor and Imperial authority.

This attitude of the Tsar toward legislative assertiveness (and toward those who sympathized with it) could not have been overlooked by Stolypin. After all, the Prime Minister was legally responsible to the Emperor, and not the Duma, for his personal position as head of Government. Whatever his own feelings about the incompetence of the Grand Dukes and the Naval Ministry, Stolypin was obligated to be the Emperor's spokesman and representative on such sensitive issues. To this political pragmatism should be added the fact that the Government had come to a decision on the fleet in the summer of 1907; once a measure was passed through the Council of Ministers, all

representatives of the Government had to fight for its passage in the legislative institutions. The Prime Minister above all could not openly express any doubts he might have had; such wavering would have been embarrassing to all members of the Government who had participated in decision-making.[26]

Stolypin thus had the delicate task of restricting Duma constitutionalism in a way forceful enough to satisfy the Tsar and uphold the prestige of the Government, but gentle enough to maintain cordial relations with the Duma Octobrists. He was in the position of having to persuade or pressure the Duma into acceptance of the dreadnought credits, and failing that, to find means to bypass legislature opposition. As soon as he became aware of the Duma's mood, Stolypin attempted to achieve rapprochment between the naval authorities and legislature by convening a joint conference to iron out differences. When this effort in early 1908 failed, Stolypin himself chose to appear before a closed session of the Duma Commission on State Defense to declare that the Government was firmly resolved "to allow no conflicts with the State Duma on questions of defense." At this February 6, 1908 session he attempted to mollify the representatives by affirming that although the Tsar had formal prerogatives in the area of defense, there was no way that the Duma could be ignored on questions of national security and reconstruction of military forces.[27]

Despite Stolypin's added protestations that no efforts would be made to pressure the representatives into changing their positions on naval credits, a broad campaign to do just that was launched. A number of organizations such as the

League For the Regeneration of the Fleet and the Naval Union, consisting of public and official activists (with many naval officers) were founded to campaign in favor of naval priorities. On February 5, 1908, for example, Guchkov received a telegram from the head of the Russian Naval Union urging consideration for the needs of the fleet.[28] There is no evidence available that these organizations were founded at governmental initiative, although they certainly acted to reinforce official Government lobbying efforts.

On March 3, 1908 Stolypin appeared before the Commission on State Defense for official hearings on naval estimates. He discounted as totally invalid the suggestion that Russia did not need an active fleet. He did empathize somewhat with the more common position taken by Duma members—that money should be held up until the Naval Ministry showed itself capable of compiling and implementing a rational and detailed construction program. Stolypin argued, however, that while the demands for reform were just, it was incorrect to withhold funds as a coercive measure. His major contention was that efforts were already underway to guarantee proper reorganization of the Naval Ministry and introduction of long-range shipbuilding programs. In the meanwhile, a number of practical reasons necessitated passage of preliminary credits for new Baltic ships: the urgency of training officer cadres, the imperative of keeping Russian factories operating and the harmful impact on morale which any rejection would create.[29]

Most important were the political factors which required that the credits be approved. Stolypin reminded the Duma that the Council of Ministers was the governmental institution designed to plan and coordinate all aspects of State defense. It was to this body [and not the Duma] that the Tsar had entrusted such a crucial function.[30] He reminded the assembled representatives that there were limits beyond which they should not attempt to go, and that in fact the plan of the naval department which the Duma was demanding need not be introduced into the legislative institutions:

> The structure of the army and fleet is a prerogative of the Sovereign Emperor.... The Government will share its plan [of fundamental reorganization] with the legislative institutions in a financial sense, but a detailed plan and the strategy involved in its execution are the decisions of the Tsar alone.[31]

Thus, Stolypin was using the ultimate authority of the Tsar to strengthen the Council of Ministers as the major institution charged with overseeing Russia's military needs, and to limit the Duma's role in the reorganization of the naval administration. However, by shielding himself as an upholder of Imperial prerogatives, he was perhaps also attempting to ease the strain in his relations with the Duma which would follow his efforts to limit (or circumvent) it.

The Prime Minister's arguments were not sufficient, since the Commission decided to cut appropriation for shipbuilding by 11.2 million, thus excluding credits for dreadnoughts in the Baltic. In the period that followed, the Government did not give up hope that the full Duma might overturn the

Commission's ruling. Golos Moskvy reported that Stolypin was courting the Rightists of the Duma, but was having difficulty convincing even them. Of greater importance was the obvious attempt of the Naval Ministry itself to seek sympathy from public opinion by promising specific reforms demanded by the State Duma. The Octobrist newspaper asserted that such efforts were futile, however, since the Duma would be content with nothing less than a comprehensive shipbuilding program and a change in the personnel of the department.[32] Even personal requests to Guchkov from Stolypin failed to change the position of the Octobrists.[33]

Only a few days before the decisive Duma session on the naval estimates, a change in the atmosphere was detected. According to Golos Moskvy the Naval Ministry suddenly reverted back to the secrecy and lack of openness with the press and Duma which had characterized its earlier behavior.[34] Whether this was caused by a realization within the Government that convincing the Duma was an impossible task is unclear. It is certainly the case, however, that during the next few days the Duma's hostility toward the Naval Ministry (manifested in its opposition to Baltic dreadnought credits) would result in constitutional controversies involving the united Government and Imperial prerogatives.

The stage was set by the testimony of Deputy Navy Minister Bostrem on the interpellation prompted by the "Rurik incident," given (by coincidence) on the very eve of formal Duma consideration of naval credits. In his reply to

extremely harsh criticism, Bostrem claimed that the incident had taken place under different leadership. Moreover, the gun emplacement secrets had been transmitted in peacetime and could therefore not be considered an act of treason. Even if it were treason or some other criminal offense, he continued, the naval department was responsible for it only to the Monarch, and not the Duma. According to one observer, this testimony led to such general indignation that suddenly "there were no Rightists —the entire Duma was oppositional."[35] The Octobrist paper commented that Bostrem had once again revealed the impossibility of expecting much good from the Naval Ministry as presently composed. It asserted that anyone in State service was responsible both to the Tsar and to the representatives of the people, not only for real crimes but for negligence, carelessness and other such shortcomings which harm the State Administration. Bostrem and the Naval Ministry had misread the mood of the entire Duma from left to right.[36]

That mood was revealed in the session of May 24 when the issue of new naval credits came up for final consideration by the Duma. Guchkov repeated the claim that the Naval Ministry was in disarray and required fundamental reform. Assertion of this fact was not an infringement on Tsarist prerogatives, but rather a means of strengthening Russia. "Our first duty is to speak the truth to the Supreme Commander. We must remember that the old system perished from falseness."[37] Some improvements were acknowledged by the Octobrist leader,

but he remained convinced that the department in its present state would not be bold enough if it were given the security of credits without preliminary guarantees that changes had been made. Until the figures responsible for the Japanese debacle were exposed, until the Government honestly revealed the weakness of the Russian navy, he would continue to fear that any fresh elements within the naval apparatus had no chance of survival. The confidence of the Duma and the people could only be restored by an Imperially decreed and open, merciless and dispassionate investigation of the state of the fleet, as well as a broad plan of defense.[38]

Facing implacable hostility, Stolypin made one last attempt in what he admitted to be "an almost lost cause." He was not arguing out of "bureaucratic stubborness" or lack of comprehension of the Duma's aims when he reiterated the reasons for proceeding with limited shipbuilding credits. Nor was he denying the necessity of reform and reorganization which were underway at that very moment. He was simply attempting to persuade the Duma that its "pedagogical" motivation was in fact harmful to military affairs, and that the Government did not need such lessons.[39] Stolypin's request for trust and confidence was refused, and on May 24 the 11.2 million for credits to cover new dreadnought construction was rejected by a vote of 194 to 78. This was seen by many as evidence that constitutional principles were penetrating the Duma. According to the reporter for Moskovskii Ezhnedel'nik, for example, the unwillingness to give funds with eyes

closed was "tantamount to a demand for the real implementation of the constitution."[40]

Fragility of Duma Prerogatives

This assertion of constitutionalism soon led to developments which proved that the actual strength of the Duma was ultimately dependent upon governmental interpretation. On June 10 it was reported that the Finance Commission of the State Council had decided to approve the 11.2 million appropriation, thus making necessary the creation of a joint commission and possibly the implementation of Article 13 of the March 8 rules.[41] According to this statute, if the State Council and State Duma failed to agree on a budgetary item, a joint commission would be formed to reconcile the difference. When the two institutions could not come to an agreement on whether a credit should be appropriated, the figures from the last affirmed budget had to be used. If the difference was not on the nature of the need, but rather on its size, then the figure closest to the last approved budget would be used. In 1906 (the last approved budget) the credits for new shipbuilding totaled 46 million, but for 1908 the navy had pared down its requests to 27 million (largely at the urging of Kokovtsev). The Duma cut this further by slightly over 11 million rubles, the sum needed for building dreadnoughts in the Baltic Sea. If Article 13 were to be implemented according to the letter of

the law, it would result in the appropriation of 46 million rubles—over 19 million more than accepted by the Council of Ministers.[42]

The use of this statute became a reality on June 13, when the State Council resurrected the 11.2 million rubles cut by the Duma. Perhaps Stolypin's most persuasive argument before this more conservative upper chamber was that the Duma had not rejected the credits because the fleet was unnecessary, but rather in order to force the Government to take measures of "an executive character." But these depended on the Supreme Authority of the Tsar, he continued, and the legislative institutions would enter a dangerous path if they attempted to force changes in staff and organization. The path of coercion set a dangerous and unacceptable precedent.[43]

With the easily predictable failure of the joint commission to reach a compromise, the Government moved to implement Article 13 and circumvent the Duma's opposition to funding the Baltic dreadnoughts. It not only included the 11.2 million in the final budget submitted to the Tsar for legal approval, but actually interpreted the law in such a way as to avoid including the additional 19 million rubles which the Government did not request originally. This maneuver was hotly disputed by liberals and moderates in the Duma and became one of the most widely discussed issues when the Budget Commission met the following year to consider changes in the March rules. The Kadets actually added an ammendment to

their original project changing Article 13, which had not been considered unduly objectionable in 1907.

Adding to the assault on the Duma's prestige and self-esteem was an incident which occurred at the end of June, during the final State Council deliberations on the dreadnoughts. Bostrem, who had been so offensive in dealing with the Rurik interpellation, this time commented that the Navy Ministry had launched reforms even before the "half-baked reformers" of the State Duma had begun to speak of them.[44] Stolypin, who was present, summonded Bostrem to his chair and ordered that an apology be made, which was given in a half-hearted manner. This attentiveness to Duma sensibilities could not hide the fact that the controversy over dreadnought credits had caused a marked deterioration in relations between the Government and Duma. It had become clear that there were substantial differences as to their conceptions of constitutionalism and institutional prerogatives. From the Octobrist viewpoint, the Prime Minister's actions and speeches, especially in the State Council on June 13, misrepresented the State Duma's intent by portraying it as having "aggressive intentions"—the desire to seize power from the executive.[45] According to Vasil'ev, Stolypin and his Government had shown "positive terror and hostility toward the development of parliamentary rights through precedents." He claimed that the Duma had tried to tone down the political side of things, but that the Government was inclined to see everything as a widening of legislative powers as opposed

to executive, which led to exaggerated political conflict.[46] Vasil'ev, of course, was ignoring the fact that the assertions of "constitutional prerogatives" by the Duma was indeed a highly political act in the context of the unsettled conditions of the Russian State system after 1905.

The Naval Staffs Controversy

The rejection of naval credits by the Duma in May 1908 demonstrated the limits of legislative power in the State system. Similar issues of parliamentary and Imperial prerogatives, as well as the united Government's authority, were inadvertently raised in 1908 by the Duma's passage of credits for the new institution of the Naval General Staff. The State Council rejected the 74,100 ruble project on the grounds that the Duma had not only affirmed the credits, which was its right, but had violated Article 96 of the Fundamental Laws by actually affirming the nomenclature of the Staff which the Naval Ministry had improperly attached to the money request. The State Council maintained that the details of the Staff project involved military organization which belonged under Imperial jurisdiction rather than normal legislative procedure.[47]

The project was reintroduced into the Duma the following session and passed on December 19, 1908 in exactly the same form. The Duma Budget Commission and Commission on State Defense refused to consider any compromise, since this was an excellent opportunity to fight for a narrow interpretation of

Imperial jurisdiction. These actions by the legislative institutions caught the Government between extreme views on military budget prerogatives, neither of which was helpful in promoting the authority of the Council of Ministers or Stolypin's political goals. In 1908 the Government's spokesmen attempted to justify the inclusion of the disputed nomenclature by maintaining that the Naval General Staff was part of the general State administrative structure, and therefore fell under normal legislative procedure (involving the Council of Ministers and legislative bodies). But faced with protests of Duma usurpation of power on one side, and the latter's unwillingness to compromise on the other, the Government was hard pressed to avoid a bitter constitutional conflict.

During the winter and spring of 1908-1909, Government spokesmen attempted to win passage of the Staff project by playing down the question of prerogatives and emphasizing that military necessity demanded immediate action. They argued that State Council approval of the project as passed by the Duma would not constitute ratification of the lower chamber's interpretation of Article 96, but rather would be a one-time measure required to expedite urgent legislation. Retreating from their 1908 stance, the Government officials denied that passage would be a precedent for future actions involving Article 96; it was a stop-gap measure designed to avoid undesirable conflict between the State Duma and State Council. Under substantial pressure, the State Council voted

on March 19 to accept the project in the form accepted by the Duma, with the positive votes of all seven ministers attending the session making the decisive difference (87-75).

The controversy was only beginning, however, as Nicholas II, aroused by arguments that the passage of credits and nomenclature together posed a threat to his prerogatives, decided on April 25, 1909 to veto the measure. In doing so he categorically rejected in advance any possibility of accepting Stolypin's resignation, a step widely anticipated by society considering the embarrassment of the veto to Russia's Prime Minister.[48] Knowing what we do of the Emperor's dedication to the principles of autocracy, it is not at all surprising that he felt impelled to take this step. What the Octobrists and other parliamentarians viewed as patriotic duty and the natural assertion of constitutional prerogatives, the Tsar and his absolutist supporters at Court perceived as a betrayal and dangerous usurpation. The Emperor's veto was a way of indicating that the Duma had gone too far in seeking to extend its powers at the expense of his own.

New Limitations on the Council of Ministers

The rejection of the Duma's version of the Staff Project also tended to reinforce the efforts of those opposing Stolypin's personal authority and political activities. As Chmeliewski points out, the Tsar's veto strengthened the hand of Stolypin's enemies on the right who opposed him for numerous reasons, one of which was his apparent willingness to play at

parliamentarism.[49] Of equal importance, however, was the confrontation between the principle of coordination through the Council of Ministers on the one hand, and the centrifugal tendencies of independent individuals and agencies on the other. The Staffs controversy added a new dimension to the ongoing battle over the legitimacy of the Council of Ministers as a governmental institution above and beyond the actual person of its current Chairman, Stolypin.

This issue was raised during the 1908 State Council debate, when the Rightist Kasatkin-Rostovskii of the Finance Commission stated openly that far more was involved than the extent of legislative powers permissable under Article 96:

> In the given case, which is establishing a precedent, we are defending a very serious question of principle—who will stand at the head of the armed forces, the Council of Ministers or the Emperor?[50]

He was clearly taking the opportunity to attack consolidation of authority within the Council of Ministers on military matters as an infringement of Imperial prerogatives. Speaking for the Council, Kokovtsev rejected this view and maintained instead that the united Government was a significant instrument for enhancing the power of the Emperor:

> For three years the cabinet has been engaged in its strenuous task of raising up this authority where it was weak. We have made an effort to neglect no means or opportunities for elevating and strengthening the power of the Supreme Master of the Russian land.[51]

In the same note which rejected Stolypin's resignation in advance (that of April 25, 1909), Nicholas called for a special conference to clarify the rules and laws concerning

the army and navy. It was to define the conditions under which general legislative procedure was to be required for dealing with military affairs, and therefore involved the powers of the Duma and the Council of Ministers. The resolutions of the conference, discussed by the Council on May 26, 1909, showed that the public airing of Article 96 had weakened the positions of both institutions. Sukhomlinov expressed satisfaction with the rule which called for all acts dealing with the organization and structure of the armed forces not involving new expenditures to be brought to Imperial review directly by the War or Naval Ministries. He also favored the view that although completely new credits required the assent of the State Duma and State Council, no judgments could be made by these institutions on the specific purpose of the requested credits. Thus, Sukhomlinov supported the separation of the content of proposed legislative acts from the form and procedure of their passage, in order to force the Duma to endorse blindly organizational changes. The rule formulated by the conference was a reaffirmation of the position held by the State Council in 1908 which justified its original rejection of the Duma-passed staffs. One point which the War Minister sought to clear up at the session of May 26 was the right of his Ministry (and the Naval as well) to use freely savings from areas of the budget previously affirmed, for new expenditures which had not received legislative authorization. This latter right would, of course, have given the military departments a virtually free hand

to dispense with huge amounts of credits without interference, once the yearly budget was confirmed by normal legislative procedure.[52]

In a major retreat from its positions of 1907-1908, the Council of Ministers agreed with Sukhomlinov that all matters dealing with the structure of defense forces were to be submitted directly to the Emperor. No mention was made of the necessity of preliminary submission of projects to the Council of Ministers, as had been emphasized in the in the Council's resolutions of April 3, 1907 (Chapter V, pp. 246-50). Going even further, it was affirmed that normal legislative procedure would only be used when the proposed measures required new credits above those already in the hands of the military departments through savings from other areas. This was not, however, a complete endorsement of Sukhomlinov's proposals, since the Council insisted that limitations be put on the use of these savings. It was stated that Article 96, although intended to provide the military agencies with "freedom of action," still had to preserve adequately "the stability of the army and navy budgets" affirmed through legislative procedure. In no way should flexibility make "superfluous the very discussion of these budgets in the legislative institutions."[53] Stating that the two military departments could "not be freed from the fundamental demand of correct budget procedure," the Council resolved that savings gathered from one area of the military budget could only be used to fund newly arising needs if these latter were similar to the areas

from which the savings were derived. The exact definition of "corresponding savings (sootvetsvennye sberezheniia)" would evolve from everyday practice, and would be taught to the departments through supplementary instructions from the Council of Ministers.[54] In attempting to make the best of the generally unfavorable interpretation of Article 96 which had been forced upon it, the Council of Ministers pointed out that a flexible attitude towards corresponding savings must not mean an abdication by the united Government of a positive role in formulating military reorganization. Furthermore, the Council sought to avoid finalizing increased independent departmental power by designating the rules compiled by the conference as general guidelines, whose details would be worked out in later instructions by the Council itself.

Clearly the interpretation of Article 96 was not the kind of issue which could be resolved with any finality, since so much depended on the nuances which would only be ironed out over a long period of everyday administrative functioning. The political controversy raised by the State Council had for the moment made the Tsar very conscious of his Imperial prerogatives, and strengthened the hand of those within the Administration who sought greater independence from the Council of Ministers. The rules compiled in the spring and summer of 1909 (and published August 24th) were not the kind of confirmation of the principles of consolidated Government which Stolypin would undoubtably have preferred. At the same time, however, they did leave open the question of how the military

departments would be able to use the refined interpretation of budgetary procedures to steer clear of the Council of Ministers and Minister of Finances. In fact, there are numerous examples of continued conflict over interpretation between the Council of Ministers and the representatives of the military departments, with the former able to win some significant battles for recognition of coordinated governmental activity.[55]

Political Consequences of the Staffs Controversy

Although Stolypin's personal prestige and the authority of the Council of Ministers as an institution were shaken by the outcome of the Staffs controversy, the major victim was the State Duma whose assertiveness had helped to incite absolutist reaction. The definition of normal legislative procedure proclaimed by the August 24 rules obviously repudiated the Duma's interpretation of Article 96, and marked a clear defeat for those seeking to extend legislative authority through legal precedents. The political parties responded to this defeat in a variety of ways, consistent with their general tactical approaches to the Government and Duma.

The most consistent position was that held by the Social Democrats who claimed that the publication of the rules of August 24 were a clear violation of the Fundamental Laws, since they changed them arbitrarily, without consulting the legislative institutions. When the third session of the Duma opened (in the fall of 1909), the SDs introduced an

interpellation to censure the Government for its illegal interpretation of Article 96. The Kadet Central Committee found itself in a particularly difficult tactical bind as a consequence of the interpellation, as revealed in sessions during the fall of 1909. On the one hand there was the natural temptation to support the SD motion, thus condemning the Administration for arbitrary and illegal behavior. This desire was tempered by a reluctance to admit openly that the Government actually had the power to impose its own interpretation of legal prerogatives against the will of the Duma. At the October 21 meeting of the Central Committee, Miliukov saw the problem clearly when he asked whether the KDs should support the interpellation, thus admitting that the Administration was capable of unilaterally overturning the Fundamental Laws, or reject the SD motion and in so doing lose a fine opportunity to condemn the Government before the country.[56] During the ensuing debate, Petrunkevich and Nabokov took a hard line, arguing that rejection of the interpellation would be tantamount to support for the Government. Vinaver sought a compromise cloaked in semantics; the Administration would be roundly condemned for attempting to violate the Fundamental Laws (by interpreting one unilaterally), but the Kadets would claim that a strong Duma protective of its rights had prevented the Government from doing so. Shingarev, the individual most personally engaged in daily budgetary affairs, preferred to interpret the August 24 rules as nothing more than intra-governmental instructions (the official line propogated

by Stolypin) which did not violate Duma prerogatives. His major concern was with the realities of Duma power under existing conditions, which he considered to be fairly substantial as evidenced by the large number of military projects currently being held up by the Budget Commission. It was best to ignore any possible constitutional ramifications of the recent developments, and proceed with business as usual.[57] Despite the arguments outlined above, to which Miliukov himself subscribed, the Central Committee chose to accept Shingarev's arguments and interpret the regulations of August 24 as mere instructions having significance only for administrative organs, but not having the force of law.[58]

Only a month later, however, the Central Committee reversed itself and voted to accept the SD interpellation accusing the Government of seizing enormous freedom in executing the budget while bypassing the Duma.[59] It is likely that this change in the Kadet position was not the result of any newly considered legal argumentation; rather it was the consequence of the need to find an expedient political ground from which to attack both the Government and the Octobrists. Indeed, during the spring of 1910, when the interpellation occupied a number of Duma sessions and received substantial attention in the press, the Kadets pursued a dual tactic of criticizing the Administration for infringing on legislative rights and the Octobrists for compromising with constitutionalism.[60]

The object of the Kadet attack was the very position which had been held by that party in October 1909—the

interpretation of the August rules as being nothing more than intra-governmental instructions. According to the Kadet spokesman V. Maklakov, the Octobrists had the choice of either accepting the interpellation, which meant a break with Stolypin who was dedicated to its defeat, or of agreeing that the August regulations were not illegal, thus renouncing the constitutional position held during the staffs debate. Instead of limiting themselves to these two equally unpleasant options, the Union of October's official position was to declare simply that the regulations would have no practical impact on the Duma's role and influence in military affairs. In an obvious but perhaps not always consciously articulated attempt to explain away a setback in the use of legal precedents for consolidating legislative power, the Octobrists now denied the supreme importance of these precedents and turned instead to the existence of trust. The Octobrist spokesman on the issue, Dmitriukov, claimed that legalistic interpretation and explanation were not of primary importance; rather, "trust" between the legislative and executive branches was the cornerstone of State life. The departments must act in ways conducive to winning the confidence of the State Duma; any striving in practice to limit its rights in army and navy legislation would "evoke a bitter and offended feeling."[61]

Having been forced into the unwelcome situation of repudiating Duma initiatives, Stolypin no doubt welcomed the Octobrists' renewed calls for trust and mutual confidence. He attempted to reinforce their apparent willingness to overlook

(or at least downplay) the obvious blow to Duma prerogatives found in the August 24 regulations. From the very beginning, the Council of Ministers took the position that the regulations issued concerning Article 96 were not to be construed as law, but rather as departmental instructions for the application of that Article.[62] Stolypin was not claiming to have made a unilateral interpretation of the Fundamental Laws, and openly reaffirmed that this was not in his or the Tsar's power.

In his speech of March 31, 1910, Stolypin argued that those who called the August 24 regulations a limitation of the State Duma did so on strictly political grounds, "out of party passions."[63] He extolled the importance of cooperation between the branches of the State system, and reaffirmed the role played by the Duma. Even in this conciliatory speech, however, the limitations whose existence he denied could not be hidden entirely. Stolypin found it necessary to make clear that cooperation did not involve control over the military branches by the legislative bodies. While it was important for the Government to eradicate abuses of power, it was also necessary for the Duma and State Council to stay within the bounds of the law.[64] Stolypin's most telling remarks were actually those explicitly designed to reassure the Duma that it had not been slighted. He explained that the August 24 regulations really had very little to do with the Duma, but rather stemmed from difficulties in applying Article 96 within the Government itself. It was an administrative affair to resolve the question of civilian and military jurisdiction,

and to define more clearly the boundaries of their powers.[65] An editorial in Rossiia pursued this argument by maintaining that the lack of clarity before August 24 did not involve the Duma at all. The regulations added nothing new to its power or that of the Government, but rather signified a reordering of interdepartmental processes.[66] Thus, in attempting to show that the outcome of the staffs conflict did not involve a diminution of legislative power, Stolypin was in fact affirming that the Government had a decisively important power--that of defining precisely what constituted a purely administrative problem in a State pocessing a legislative institution.

As stated above, the official Octobrist position was to take comfort in Stolypin's speech and the Government's press releases. An editorial on April 2 asked rhetorically where the so-called diminution of Duma rights had occurred, since the power to grant new credits remained an extremely vital one. Von-Anrep and N. P. Shubinskoi both stated that the Prime Minister had clearly demonstrated his desire to work with the Duma. A correspondent for Utro Rossii actually went so far as to describe the preponderant majority of Octobrists as being in ecstacy over Stolypin's speech, undoubtably an exaggeration but still an indication of their sentiment.[67] Playing down some discontent within party ranks over the reception given the August 24 rules, Golos Moskvy summed up the lessons of the incident; disagreements over the pace of governmental movement were clearly present, but of primary

importance for the future was Stolypin's indisputable goal of "balancing public and governmental forces and influence."[68]

Although Stolypin and the Octobrists attempted to gloss over the staffs crisis and interpellation as being of little practical importance for the definition of Duma prerogatives and the course of Government-Duma relations, these incidents were undoubtably a setback for those seeking a broadening of legislative powers. In the first stage of the controversy in 1908, the Government had maintained that approval of staff nomenclature was part of general legislative procedure, including the State Duma and State Council. By 1909 it was being argued that inclusion of the lists had indeed been a mistake, since under Article 96 the Duma was not entitled to consider more than the financial requests separated from substantive matters. Whatever the legalistic semantics used to interpret the August 24 regulations, one thing is clear; the staffs themselves were no longer a subject for legislative consideration. In this explicit test of power, the Duma had been limited by the pressures of those speaking in the name of Imperial prerogatives; the united Government had agreed to this delineation of legislative function while still actively seeking with difficulty to maintain its own.

Limits of Duma Influence and Power

The third Duma began its tenure with the determination to participate actively in the reconstruction of Russia's military forces, with the forum and leverage provided by the

budgetary process viewed as a major source of influence and power. From 1906 to 1909, Guchkov and the Octobrists were able to express their views and assert their ideas largely because of good personal relations with the War Minister Rediger. They were aided in this by the goals pursued concurrently within the Tsarist Government by Prime Minister Stolypin and Finance Minister Kokovtsev. All sought changes in personnel, organization and procedures which would increase rationality and efficiency in the military structure.

It was the very aggressiveness of Duma activity in the military sphere which actually led to a diminution of its influence. In 1909 an outraged Tsar ordered the resignation of the Duma's ally, War Minister Rediger, and replaced him with General Sukhomlinov, who was directed to preserve Imperial prerogatives in the military area. In naval matters, inherently less popular with society, Duma efforts to impose its legal budgetary prerogatives led to vivid demonstrations of the fragility of its power. The controversies over new shipbuilding credits and the Naval General Staff forced Stolypin to make explicit limitations on the legal rights of the Duma. At the same time, Stolypin himself was severely weakened at Court, while the authority of the united Government was shaken. Since the personal prestige of Stolypin and the rationalizing tendencies of the Council of Ministers were central to Octobrist influence in the State system, the constitutional controversies involved an indirect as well as direct setback for the Duma.

Although they were thwarted in efforts to expand their power through legal precedents, it should not be thought that the partisans of Duma influence and participation were excluded from military affairs after 1908. Even after the implementation of Article 13 in 1908 (resurrecting shipbuilding credits in the State Council), strong forces within the Government remained committed to winning Duma approval of a dreadnought fleet in the Baltic. Already in 1909 and 1910, influential figures such as G. G. Lerkhe and A. Zvegintsev expressed the view that some progress in satisfying the preconditions of the Duma for accepting new credits was already visible, although the Budget Commission repeated the action of 1908 (as did the State Council).[69]

Finally in 1911, enough Duma members were won over by the Government to allow the passage of new Baltic shipbuilding credits through normal budgetary procedure. Ironically, one event of great importance was the appointment of a Naval Minister congenial to the Duma, at the very time when Sukhomlinov was insulating himself more drastically from contacts with it. According to Shatsillo, Admiral I. K. Grigorovich was a man of "breadth of vision and...remarkable organizational talent."[70] Equally important, he paralleled Polivanov as a man capable of communicating with Duma circles.[71] According to the Academician A. N. Krylov, head of the Naval Technical Committee:

> From the first days of his appointment he understood that it was incorrect to struggle with the Duma and to deceive it, but rather [necessary]

> always to speak 'the truth, only the truth and the whole truth,' and in this way to earn its confidence and support.[72]

Another factor which lessened the antagonism felt by the Duma toward the Naval Ministry was the carrying out of an investigation of that department. Golos Moskvy had proclaimed that a systematic examination of abuses was needed to "clear the atmosphere," and was a prerequisite for additional credits.[73] Nicholas refused to allow a Duma investigatory commission, but did finally agree to one consisting of State Council members. In his private correspondence, Admiral Voevodskii explained that the investigation had to be conducted "in order to give the representatives of the Duma confidence in the possibility that the credits would be used correctly for the speedy resurection of our combat fleet."[74] The commission, which had not been repudiated by the Duma, reported to the Tsar in January 1911 that the Naval Ministry was taking measures to liquidate existing shortcomings.[75]

Acceptance of the budgetary request in 1911 was a prelude to Duma passage of the five-year shipbuilding program in June, 1912. The Government waged an active campaign to cajole hesitant representatives to accept the "small shipbuilding program." The Chief of the Naval Staff Admiral Liven' even attempted to persuade well-known opponents such as Miliukov and A. F. Bobianskii through personal contacts, but failed.[76] Much more significant was the campaign to win the support of M. Alekseenko as a counterweight to the known opposition of Guchkov. The Budget Commission Chairman was only moderately

enthusiastic about the naval program, but pressure exerted upon him by Kokovtsev in the name of the Tsar was undoubtably effective.[77] On May 26, 1912 the Budget Commission voted 29-19 to accept the 502 million ruble program, despite the continued opposition of such influential figures as Guchkov, Eropkin, Lerkhe and Godnev. These Octobrist leaders failed to convince their fellow party members, and on June 4 a conference of the fraction decided to permit each member to vote according to conscience. The majority were clearly ready to accept the program, which was passed by a vote of 197 to 89 on June 6. Some limiting amendments were included, however, which stipulated that progress reports had to be made to the Duma with each specific yearly budgetary request. Furthermore, the 71 million ruble portion for the renovation of port facilities was cut pending further consideration.[78] After seven years of debate and conflict within the reformed State system, and five years after the June 3rd electoral coup, a long-range program for naval development had finally received legislative approval.

Although supporters of the Duma action, notably A. Zvegintsev, argued that the program could be interpreted as a victory for coordination and planning of State defense policy, in many ways it was hollow indeed.[79] Guchkov considered the passage of such a large program to be "one of the gravest errors of the third Duma," not only because of its purely military dubiousness, but because it would strengthen the remnants of the old regime within the military

administration as well.[80] Certainly Guchkov and the more aggressive advocates of Duma constitutionalism had cause for unhappiness. Their direct access to the War Ministry had been shattered by the coming to power of Sukhomlinov, who took no pains to show his disdain for the Duma. As for the Naval Ministry, despite improved personal relations, the shipbuilding program had been accepted on the Government's terms, and not those of the Duma. True, many changes had been made in the organization and personnel of the naval administration which the Duma advocated early in 1908, but these had not been the consequence of legislative power, but rather governmental agreement with various Duma suggestions. The State Duma had definitely been able to influence the course of military planning and reconstruction, but at the same time the constitutional issues of power and control had been resolved unsatisfactorily. The Duma was unable to force through its own interpretation of legislative prerogatives, as evidenced by the Government's ability to use Articles 13 and 96 with impunity. And equally important, by accepting the naval programs and additional army expenditures after 1911, the Duma was actually acknowledging the Government's right and capacity to manage military affairs on its own [the Government's] terms. The process of working out a solution to the dilemma of military backwardness resulted in some tangible gains, but failed to contribute decisively to political and institutional cohesion within the State system. In fact, the process had brought out issues which served only to leave a residue of tension between the Government and State Duma.

Footnotes

[1]From a memorandum to the Octobrist Central Committee by Guchkov in TsGAOR f. 555 op. 1 d. 511 l. 4.

[2]See Golos Moskvy, January 25 and 30, 1908 for arguments that the holding of closed sessions by commissions on defense was standard "constitutional" practice in the West. Rossiia justified exclusion of the Kadets by pointing specifically to their interference with loan negotiations in 1906, as well as to their general lack of commitment to the war effort in 1904-05. It should be pointed out here that as time went on the Kadets were permitted to attend sessions of the Commission on State Defense, predominantly as observers from the Budget Commission. A Zvegintsev, "The Duma and Imperial Defense," Russian Review (London), Vol. I (1912), p. 50.

[3]Duma, Otchety. Soz. III, ses. 2 (November 27, 1907), col. 641.

[4]"Iz vospominaniia A. I. Guchkova," Posledniia Novosti. It should be noted that Guchkov's retrospective evaluation of Rediger was undoubtably made more favorable by the Octobrist leader's burning feud with Rediger's successor, V. A. Sukhomlinov.

[5]"Iz zapisok A. F. Redigera," Krasnyi Arkhiv, No. 60 (1933), pp. 94, 111.

[6]Polivanov, Iz dnevnikov, p. 35.

[7]"Iz vospominaniia A. I. Guchkova," Posledniia Novosti.

[8]Testimony of Polivanov in Padenie tsarskogo rezhima, Vol. VII, p. 258.

[9]See "Iz vospominaniia A. I. Guchkova," Posledniia Novosti and Polivanov's testimony in Padenie tsarskogo rezhima, Vol. VI, p. 291. In his diary, the Deputy War Minister recorded numerous personal strolls and chats with Guchkov and Zvegintsev. Iz dnevnikov, pp. 43. 95.

[10]Guchkov's memorandum in TsGAOR f. 555 op. 1 d. 511 ll. 4-5. Writing in 1912, Zvegintsev also acknowledged that the major goal of the Commission on State Defense was the consolidation of army affairs into the hands of the War Minister,

"to make him solely responsible for efficiency." Russian Review, Vol. I (1912), p. 53. It should be noted that in making his retrospective analysis of Duma aims, Guchkov was no longer completely confident that such unification of power had been a worthwhile goal. Time had proven by 1912 that such consolidation did not necessarily enhance the power of the State Duma.

[11]"Iz vospominaniia A. I. Guchkova," Posledniia Novosti.

[12]Cited in Walz, "State Defense and Russian Politics," p. 75.

[13]Aleksandr Guchkov, Rechi po voprosam gosudarstvennoi oborony i ob obshchei politike 1908-1917 (Petrograd, 1917), pp. 22-29.

[14]Ibid., p. 50. The Duma had already shown its willingness to comply with requests for extraordinary credits from the War Minister. After considerable debate and conflict within the Government, a seven-year request for 293 million rubles was submitted to the legislative bodies in the spring of 1908. The Duma was sympathetic about the need to replenish supplies and armaments, and agreed that money should be appropriated. It did, however, insist that the credits be requested on a yearly basis, except in cases where contracts required more than one year to fulfill. It agreed finally to grant 92 million rubles to the army for the time being, with the bulk coming in 1908. Sidorov, Finansovoe polozhenie Rossii, p. 60.

[15]Ibid., p. 56. The impact of these highly critical speeches was tremendous, even on those who generally opposed the positions held by the Octobrists. For example, the Rightist F. Nikonovich was happy to see the "bitter truth" revealed in Guchkov's "marvelous speech." F. Nikonovich, Iz dnevnika chlena Gosudarstvennoi dumy ot vitebskoi gubernii (Vitebsk, 1912), p. 10.

[16]Walz, "State Defense and Russian Politics," pp. 55-56.

[17]J. F. Hutchinson, "The Octobrists and the Future of Imperial Russia as a Great Power," The Slavonic and East European Review, Vol. L (1972), p. 223. The Soviet historian Shatsillo (as well as Hutchinson) points out that the reluctance to spend money for building up Baltic squadrons was not matched by a similar opposition to the Black Sea Fleet, where old Russian ambitions and the reality of possible naval

supremacy made this an acceptable object of appropriations even among army-oriented Duma members. See Russkii imperializm, pp. 192-97.

[18]Russkii imperializm, p. 169.

[19]I. N. Efremov, Otchet izbirateliam o deiatel'nosti v kachestve chlena tret'ei Gosudarstvennoi dumy 1907-1912 (St. Petersburg, 1912), Pt. III, pp. 34-36. For a discussion of the Rurik and Obukhov controversies, see Walz, "State Defense and Russian Politics," pp. 83-89 and E. Chmeliewski, "Stolypin and the Ministerial Crisis of 1909," California Slavic Studies, Vol. IV (1967), pp. 8-9.

[20]Golos Moskvy, March 5, 1908.

[21]A. Izgoev, P. A. Stolypin Ocherk zhizni i deiatel'nosti (Moscow, 1912), p. 81, and Hosking, Slavonic and East European Review, Vol. XLVII (1969), p. 140.

[22]Golos Moskvy, March 5, 1908.

[23]Moskovskii Ezhenedel'nik, No. 12 (1908), p. 4.

[24]The Secret Letters of the Last Tsar, pp. 238-39.

[25]Polivanov, Iz dnevnikov, pp. 47, 61.

[26]An example of Stolypin's concern for unity was his scolding of Rediger for supplying the Duma with secret information which could be used against the fleet. Ibid., p. 46.

[27]Shatsillo, Russkii imperializm, p. 171.

[28]TsGAOR f. 932 op. 1 d. 132 l. 1. The activities of these lobbies are described in the pages of the daily press throughout the period, especially Rossiia.

[29]Predsedatel' soveta ministrov Petr A. Stolypin (St. Petersburg, 1911), pp. 133-34.

[30]Ibid., pp. 135-36.

[31]Ibid., p. 134.

[32]Golos Moskvy, May 18, 1908.

[33]Ibid., May 21, 1908.

[34]Ibid., May 22, 1908.

[35]Moskovskii Ezhenedel'nik, No. 21 (1908), p. 60.

[36]Golos Moskvy, May 25, 1908.

[37]Guchkov, Rechi, p. 6.

[38]Ibid., pp. 7-10.

[39]Predsedatel' soveta ministrov (1911), pp. 178-89.

[40]Moskovskii Ezhenedel'nik, No. 21 (1908), p. 63.

[41]Golos Moskvy, June 10, 1908.

[42]Ibid.

[43]Predsedatel' soveta ministrov (1911), pp. 191-97.

[44]Golos Moskvy, June 17, 1908 and Moskovskii Ezhenedel'nik, No. 25 (1908), p. 59.

[45]Golos Moskvy, June 21, 1908.

[46]Moskovskii Ezhenedel'nik, No. 25 (1908), p. 60.

[47]Chmeliewski, California Slavic Studies, Vol. IV (1967) p. 17.

[48]Ibid., pp. 17-26.

[49]Ibid., p. 17.

[50]Quoted in ibid., p. 18.

[51]Ibid., p. 21.

[52]Osobyi Zhurnal, No. 79 (May 26, 1909), pp. 6-7.

[53]Ibid., p. 16.

[54]Ibid., pp. 16-19.

[55]Ibid., No. 23 (January 19, 1910) and No. 172 (August 4, 1911) for sessions which show the matter still unresolved.

[56]TsGAOR 5. 523 op. 1 d. 30 l. 31.

[57]Ibid., ll. 31-32.

[58]Ibid., l. 20.

[59]Ibid., l. 65.

[60]See interviews with the KDs Rodichev and Maklakov in Utro Rossii, May 2, 1910 and Golos Moskvy, April 2, 1910. Maklakov saw in the staffs crisis and interpellation signs that the very existence of constitutionalism was at stake. Utro Rossii, April 30, 1910. The liberal Sokolov saw the potential for the whittling away of constitutionalism through de facto governmental interpretations. Russkaia Mysl', No. 12 (1909), pp. 151-53. The Progressist Utro Rossii supported the contention that the Octobrists were being opportunistic in their position on the August 24 regulations. May 1, 1910.

[61]Utro Rossii, November 27, 1909.

[62]Osobyi Zhurnal, No. 79 (May 26, 1909), p. 7.

[63]Gosudarstvennaia deiatel'nost' Stolypina, Vol. I, pp. 92-93. On the day before Stolypin's speech, Rossiia maintained that the interpellation was not addressing itself to the content of the August 24 regulations at all. March 30, 1910.

[64]Gosudarstvennaia deiatel'nost' Stolypina, Vol. I, p. 94.

[65]Ibid., pp. 99-100.

[66]Rossiia, April 2, 1910.

[67]Utro Rossii, April 2, 1910 and Golos Moskvy, April 2, 1910.

[68]Golos Moskvy, April 3, 1910. One of the influential Octobrists least satisfied with the party's position on the

interpellation was M. Alekseenko who feared that the terminology of the August 24 regulations too closely approximated that of a law. He continued to uphold the view which had been the official Octobrist position in 1908—that the staffs of the army and navy departments do belong under Duma jurisdiction. Utro Rossii, April 2, 1910.

[69]Golos Moskvy, February 20, 1909 and Ekonomist Rossii, No. 3 (1909), pp. 8-9 express pleasure over the Naval Ministry's professed intentions, mingled with lack of trust in mere promises and a conviction that promises would not be adequate to win Duma acceptance. In 1910, the Duma margin favoring exclusion of credits was reduced. Utro Rossii, March 24, 1910.

[70]Shatsillo, Russkii imperializm, p. 177.

[71]Kokovtsev, Out of My Past, pp. 218-19.

[72]Quoted in Shatsillo, Russkii imperializm, p. 177.

[73]Golos Moskvy, April 6, 1910.

[74]Quoted in Shatsillo, Russkii imperializm, p. 179.

[75]Ibid.

[76]Utro Rossii, May 9, 1912.

[77]Alekseenko, Russian Review, Vol. I (1912), pp. 16-17 and Kokovtsev, Out of My Past, pp. 305, 311, 315.

[78]Golos Moskvy, May 27, 1912 and June 5, 1912, and Utro Rossii, June 5, 1912.

[79]Zvegintsev sees Duma acceptance as the culmination of a process through which the Government was influenced to make reforms by the Popular Assembly. Russian Review, Vol. I (1912), p. 57.

[80]TsGAOR f. 555 op. 1 d. 511 l. 5 and Guchkov, Rechi, pp. 83-92.

CHAPTER VII

CONCLUSION

The shaking of the Tsarist regime in 1904-05 was followed by an extended period of uncertainty concerning sources of power and authority within the system. The Council of Ministers and State Duma became focal points for new political ambitions and relationships; the laws, regulations and statutes of 1905-06 designed to define and regulate these institutions, and adapt them to traditional bureaucratic and autocratic patterns, created a potential for conflict and misunderstanding. Forces within society and the Government interpreted the mandate implied by the reforms in different ways. The result was a period of working out new procedures and relationships; of competition for influence, power and prerogatives in an unsettled State system.

The most powerful force in Russian politics after 1906 was Prime Minister P. A. Stolypin. He believed that war and revolution had demonstrated a need for orderly, unified and coordinated functioning of Russia's governmental institutions. Through the Council of Ministers, he was determined to establish control and order by suppressing revolutionary disturbances and subordinating anarchistic and centrifugal administrative forces to centralized authority. His ultimate goal

was the stable and firmly controlled modernization of Russia, directed by an efficient and rational State vlast'.

The Prime Minister's chief ally in the State Administration, and a central figure of this study, was Finance Minister V. N. Kokovtsev. From his vantage point in the financial apparatus, Kokovtsev was fully aware of Russia's backwardness, and of her desperate fiscal condition. It was his view that Russia required a budgetary mechanism conducive to long-range planning, coordination, and efficiency in the mobilization and allocation of scarce resources. A council of Ministers dedicated to governmental consolidation gave Kokovtsev an opportunity to pursue his more limited aims: (1) centralized planning and coordination of expenditures, in order to protect the State Treasury from wasteful and debilitating demands, and (2) unification of financial operations and regularization of rules and procedures pertaining to the budgetary process, in order to eliminate administrative arbitrariness.

Stolypin and Kokovtsev had to deal with both the traditional independence of administrative departments and the ambivalent attitude of the Tsar toward the Council of Ministers. The former were accustomed to making and executing policy without consulting one another; they were not willing to subordinate their programs and identities to a centralized institution. Nicholas was appalled by the weakness, vacillation and disorganization of his bureaucracy in 1905; it was this spectacle which prompted his support for the October 19 ukase. However, the creation of a powerful administrative

institution also threatened to isolate the Emperor from the decision-making process. In certain circumstances the Council of Ministers might be as grave a threat to Imperial prerogatives as it was to those of administrative agencies.

The case studies examined in preceding chapters demonstrate the efforts of Kokovtsev and Stolypin to consolidate and expand their authority. The formulation of tax reform, for example, highlighted Kokovtsev's role as reconciler of competing socio-economic interests represented by different administrative departments. Kokovtsev was determined to impose his own conception of Russia's national interests by having tax reform reflect a particular balance of political, economic and fiscal concerns. The goal of greater Treasury revenues, opposed by many departments because increased taxes harmed their constituencies, was supported by Kokovtsev as essential for obtaining favorable budgetary balances. However, tax reform was not as clearcut a case of competition for institutional prerogatives and power, as were the other questions examined in depth: definition of budget rules and procedures, the organization of State enterprises and the appropriation of funds for military programs.

Kokovtsev's campaign against conditional credits, special funds and fixed budgets all reflected his opposition to diffusion of budgetary power; he interpreted the various statutes and regulations (i.e., of March 8, 1906 and the Fundamental Laws) as a mandate for uniformity, order and regular procedure. Executive flexibility, considered by the various

departments to be necessary for their own efficiency and rationality of operations, was viewed as arbitrary and harmful from the broader perspective of the Finance Ministry. A similar difference in viewpoint accounts for conflicts within the Government over the organization and control of State railroad operations. Kokovtsev's rejection of increased appropriations and weakening of interdepartmental collegial organs was a further expression of the view that vital decisions affecting "overall State interests" should be reserved for the Finance Ministry.

As we saw in the chapter dealing with the development of coordinated military programs, Stolypin joined Kokovtsev as an active exponent of curtailing army and navy prerogatives in budgetary matters. For example, Kokovtsev argued against increased military appropriations and insisted on normal budgetary procedure (i.e., through the elimination of fixed budgets). Stolypin had the broader goal of strengthening the Council of Ministers by making it a major factor in the formulation of military policy and programs. The Permanent Conference on Shipbuilding showed Stolypin's determination to assert some control over naval affairs, although this led to complaints of interference from naval authorities quite similar to those of Shaufus and Rukhlov over the issue of collegial organs managing railroad lines. In the case of military appropriations, rejection of departmental independence also involved some practical limitations on the Emperor, and led to a reaction by Nicholas during the naval staffs

affair. Nevertheless, in both cases Stolypin and Kokovtsev supported the mandate of consolidated vlast' which they viewed as the essential feature of the 1905-06 reforms.

The process of defining jurisdiction and prerogatives within the Government was greatly complicated by the emergence of additional aspirants for power and influence from within the State Duma. Although the socio-economic and ideological composition of the three Dumas elected in 1906 and 1907 differed greatly, a common thread united them: the conviction that the old regime—the Autocracy and uncontrolled bureaucracy—had failed to satisfy Russia's needs. The dominant parties of the second and third Dumas, the Kadets and Octobrists, shared a belief that public activism was required for the reordering of priorities, the promotion of rationality and the implanting of legality. Although less strident and overtly "radical" than the Kadets, the Octobrists were no less respectful toward the principle of obshchestvennost' and the necessity of public participation. Unlike the Constitutional Democrats, however, they believed that the Duma created in 1905-06 could be a suitable vehicle for realizing their political goals. They were reinforced in this belief by elements of the Administration which appeared to believe in Octobrist constitutional principles. The attitudes and general political orientation of leaders such as Stolypin, and less consciously Kokovtsev, did make possible considerable Duma influence and activity after 1905, and seemed to justify the Octobrists' early confidence in the system.

Unlike officials such as I. Shipov, Shvanebakh, Goremykin and Durnovo, who feared the Duma as a revolutionary institution, Stolypin and Kokovtsev promoted legislative influence in order to advance their own political and organizational goals. While respecting the energy and creativity of society which he witnessed in the zemstvos, and hoping to mobilize them on a national level, the Prime Minister had a special role for the Duma; to support the trend toward a coordinated State vlast'. Legislative procedure, defined by the decrees of October 17 and 19, as well as by the later Duma Instruction and Fundamental Laws, meant the complete process of decision-making; the Council of Ministers was the final administrative arbiter, and the only institution which could give authority for submission of projects to the Duma and State Council. An affirmation of Duma rights often carried with it a strengthening of the Council of Ministers, to which it was bound by law and by Stolypin's vision of a totally integrated State system.

Support for legislative activity was demonstrated in the specific budgetary and financial problems examined in earlier chapters. Thus, in the definition of budgetary rules, members of the Budget Commission were encouraged to denounce arbitrary, wasteful and irrational procedures. For example, the Duma opposed excessive use of conditional credits, special funds and internal credit transfers. Kokovtsev and his Ministry cooperated with the Duma's campaign by supplying it with information about abuses and violations of legality. The

Budget Commission was also an ally in the struggle against wasteful railroad expenditures and irrational management. By the end of the third Duma's tenure, a smooth machinery had been established to examine budget estimates and root out unnecessary expenditures. Kokovtsev often responded to requests for more railroad appropriations with reminders that the Duma Budget Commission was angry about waste. In fact, the presence of the Duma prompted Minister of Communications Rukhlov to be quite responsive to many of its demands for reorganization, and to comply more readily with requests for information.

Similar patterns existed in the area of military appropriations, where Stolypin and Kokovtsev constantly reminded the Naval Ministry that major expenditures had to be postponed until Duma demands for planning and reorganization were met. Moreover, Guchkov and the Commission on State Defense seemed to have Stolypin's tacit approval as they cultivated close realtionships with the military hierarchy. During the tenure of Rediger as War Minister, Guchkov had considerable direct influence in policy-making; his assaults on the power of the Grand Dukes clearly served the purposes of Prime Minister Stolypin as well as the Duma.

However, in assessing the role played by the Duma in the Russian State system after 1905, it is essential to distinguish between active participation and influence on the one hand, and power on the other. On a number of occasions, the Government demonstrated its ability to enforce its own

interpretation of institutional prerogatives against the will of the Duma. These included administrative establishment of a railroad anketa, interpretation of Article 96 of the Fundamental Laws to exclude the Duma from considering staff lists, and implementation of Articles 12 and 13 of the March 8 rules to circumvent cuts in naval estimates. One of the major reasons for the Government's repudiation of Duma assertiveness on these occasions, particularly in matters relating to the military, was pressure from the Tsar. Because of his dependence on the Emperor for his personal power, Stolypin was certain to demonstrate greater loyalty to Imperial prerogatives than to the Duma moderates, when a choice was unavoidable.

It should be emphasized that such a choice did not stem only from the Prime Minister's reluctance to antagonize the Emperor; it was also the consequence of the secondary position occupied by the Duma in his political orientation. Although sympathetic to society, and not really at home with bureaucrats of the old school, Stolypin never considered the Duma the primary institution of the State system. Rather, he and Kokovtsev both focused on their executive institutions as the decisive rationalizing and modernizing forces; the ultimate superiority of the State Administration was never really questioned. For example, as noted in Chapter II, the budget rules themselves were clearly designed to limit the Duma's potential for unlimited and undirected activity, just as the Finance Minister used them to curtail excessive independence of other executive agencies. In fact, it can be argued that

to Kokovtsev, the Duma was hardly more than a cog in the administrative apparatus; it was to be manipulated and used against competitors, but not allowed to extend its powers in a manner detrimental to the Ministry of Finances. As for Stolypin, he envisioned a system which corresponds somewhat to the term "participatory bureaucracy" used by Alfred G. Meyer to describe the Soviet system.[1] The Prime Minister wanted to absorb and incorporate the energies and activities of society while preserving ultimate authority for his rationalizing administrative institution; the Duma was at best an ally, but certainly never an independent source of sovereignty.

An important question which arises from this concerns the effect of the Duma's limitations on Russia's potential for modernization and her future political development. An influential current in Western historiography has expressed the desirability of liberal constitutional development for Russia; it is argued that its organic evolution was thwarted by accidents such as the Great War or idiosyncricies of the ruling family. Parliamentary forms and power were to bring not only political and civil liberties, but more rational management of the State as well.[2] An example of acceptance of this link is found in a statement by Sergei Pushkarev:

> The most rapid and substantial progress in all fields of Russian life was made during the Duma Monarchy (1906-1914), which was the closest Russia ever came to Constitutional Government.[3]

Implicit is the assumption that greater Duma power and

prerogatives would have been conducive to even more dramatic success in overcoming backwardness. This is a position which requires qualification.

A strong argument can be made that a substantial increase in the power of the Duma in the area of budget decision-making and control would have done little to solve concrete problems or improve governmental performance. There were, after all, powerful forces within the State Administration already dedicated to rationality, efficiency and productivity. It is unclear how an increase in legislative power would have been conducive to the universally accepted goal of consolidated governmental vlast'. It is more likely, in fact, that the two goals were ultimately contradictory. Going further, a comparison of the decision-making and conflict-resolving capacities of the Duma and Government does not lead to recognition of the former's superiority. In the examples of tax reform and railroad improvement, the Duma experts were no more sophisticated and aware than their Government counterparts of the problems faced by Russia and the possible courses of action open to them. In fact, the Duma actually showed an inability to act on the Government-passed tax reform measures, thus raising questions about the potential for legislative conflict-resolution on controversial issues.

The failure of the Duma to expand its power appreciably is a partial explanation for the polarization between the Government and society by 1912, a development described in considerable detail by L. Haimson.[4] The Octobrists had relied

on an alliance with progressive Government forces to guarantee legislative powers and prerogatives. Yet at crucial moments, Stolypin repudiated the Duma's drive for power-affirming precedents, and in so doing exposed the frailty of an alliance which was actually built on misunderstandings. Constantly reminded by the Kadets that their aspirations for constitutionalism had been betrayed, many Octobrists began to question whether a satisfactory political evolution was possible. This was a sentiment which was growing even before the death of P. A. Stolypin in September 1911, although it undoubtably intensified afterwards. Oppositionism stemmed less from the objective reality of the regime's incompetence, than from society's inability to get control over the process of modernization itself. This aspect of opposition and frustration actually made polarization and disunity more explosive and difficult to overcome.

For Duma leaders themselves, however, frustration resulting from failure to satisfy aspirations for power was not the only legacy of years of budget work. The experience of working in the Duma commissions also tended to reinforce passive acceptance of an unsatisfactory balance of power. Many Octobrists, and even certain influential Kadets such as A. Shingarev, were deeply embroiled in daily budget affairs. Anxious to participate in a constructive way, and temperamentally related to advocates of "small deeds" liberalism, these Duma activists (including Alekseenko among the Octobrists)often showed a willingness to make the most of limited gains. They

were reinforced in this willingness to participate by a number of factors: a sense of satisfaction that the Duma's role had been fruitful in certain areas, such as railroad management and budget balancing; continuing governmental cooperation and support (i.e., in the Petrov Commission and in the rationalization of budgetary procedures) despite rebuffs in precedent-setting controversies; a psychological reluctance to admit that years of efforts had been empty; and the lack of acceptable alternatives to recognizing the limitations of legislative power. Duma constitutionalists in 1911-12 were actually being confronted with certain successes in administrative rationalization and efficiency; the prospects of modernization without the Duma might have eventually prompted members of society to accept limitations if that was the price of participation in national reconstruction.

Clearly the relation between constitutional development and modernization is a subject which can be examined at many levels, and from a variety of perspectives. For example, it would be fruitful to consider patterns of decision-making, and their consequences, in selected areas of cultural and economic backwardness, such as primary education and agrarian reform. Still, the case studies on financial and budgetary questions dealt with here are themselves enough to suggest that the standard liberal equation of constitutionalism with modernization requires modification. There is little doubt that the State Duma played an active role in national life after 1905, and especially 1907; but its role was

ultimately defined by the State Administration which maintained a monopoly of power. However, despite the failure of Duma constitutionalists to achieve the kind of system which they desired, and considered indispensable for Russia, the Government showed itself capable of solving certain financial and budgetary problems. Forces within the Administration independent of the Duma were actively involved in pressing for rationalization of the governmental mechanism and the modernization of the country. This raises some doubts about whether increased Duma prerogatives and powers would have made the State significantly more able to cope with the realities of Russia's backwardness.

Footnotes

[1]Alfred G. Meyer, "Theories of Convergence," Change in Communist Systems, (ed.) Chalmers Johnson (Stanford, 1970), p. 327.

[2]Samples from this school, including Michael Karpovich, Jacob Walkin and Donald Treadgold, are quoted and analyzed in Arthur Mendel, "On Interpreting the Fate of Imperial Russia," Russia Under the Last Tsar (ed.) Theofanis George Stavrou (Minneapolis, 1969), pp. 13-27.

[3]Cited in ibid., p. 15.

[4]Leopold Haimson, "The Problem of Social Stability in Urban Russia, 1905-1917," Slavic Review, Vol. XXIII (1964), pp. 619-42, and Vol. XXIV (1965), pp. 1-22.

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f. 523. Konstitutsionno-demokraticheskaia partiia. The KDs kept very detailed records of their Central Committee and Duma fraction meetings. An excellent source for the political tactics and attitudes of the Kadets.

f. 555. A. I. Guchkov. Contains some personal memos and notes, although it does not appear to be a rich fund.

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f. 229. Ministerstov putei soobshchenii. Contains interministerial correspondence, project drafts (with marginal comments of leading officials), statistical information and records of meetings pertaining to the reorganization of the Ministry.

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the Prime Minister's outlook and personal policy preferences; this is important, considering the extreme paucity of his personal archival fund (f. 598 TsGAOR).

f. 12[illegible]. Gosudarstvennaia duma. Although many of the materials found in this fund are available in published form (Stenograficheskie otchety, Doklady biudzhetnoi komissii), it does contain certain proceedings of various commissions (i.e., Finance and State Defense) which were not published.

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