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CONTENTS

On the "Average Period" of J. R. Hicks
Sempei SAWA 1

The Controversies concerning Russian Capitalism
Masaharu TANAKA 21

The Productive Nature of Service Labour
Isao HASHIMOTO 56

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I Trends of Economic Thought in Russia

The state of economic growth and the intellectual climate determine the nature and scope of economic studies. For example, it is a well known fact that English classical economics not only did not find receptive soil in Germany, but also lost its vital role as an analytical tool with which to examine civil society. It became the ideology of landowners and merchants who used it to defend their class interest, e.g., laissez faire; it was no longer the foundation upon which bourgeois society was to be built. Instead, conditions in Germany made possible the appearance of Friedrich List (1789-1846) who was a self-appointed critic of the English school and attempted to carry out the modernization of the economic foundations of Germany.

The development of economic studies in Russia was also characterized by economic and social conditions in that country which made a vast contrast with those of nations in the West. Capitalism was relatively slow in coming in Russia, and introduction of Western technology was not always followed by reforms, political and social. Even the so-called "Westernization" of Peter the Great (Пётр Великий, reigned 1682-1725) was far from satisfactory according to Western standards, but the forces of reaction were strong at the root of social life and peasants were more tightly controlled than before the reform. English economics could not have expected to find congenial soil in Russia.

During Peter's reign there appeared an interesting work by I. T. Pososhkov (И. Т. Посошков, 1652-1726), a prominent merchant and one of the so-called "projectors" to the Czar. Since it was not likely that the author had access to Western economic literature, it may be the case that his Book on Poverty and Plenty (Книга о скудости и богатстве, 1724) was solely the product of his own experience and observation. Different evaluations of the book, some favourable and some not, have been made. This work is usually considered as the representative work of Russian
mercantilism. It is also an extremely useful source of information about conditions at that time in Russian society. Pososhkov's point of view and his manner of presentation are without any doubt in the defense of Russian dictatorship, and his unquestioned support of absolutism is manifest throughout his work. He advocates the protection of Russia's national interest over those of foreign nations and of the interests of merchants and farmers over those of landowners. But from this we should not draw too hastily the conclusion that Pososhkov was the first Russian economic theorist in the classical tradition. In fact Russian mercantilism did not develop much further than the point it had reached at the time of Pososhkov's writing his masterpiece.

It was not until towards the end of the eighteenth century that economic theories of the West were introduced into Russia, and it was not until much later that they began to be seriously discussed by Russian students of economics. Catherine II (Екатерина II, reigned 1762-96), who was much enchanted by the French Enlightenment and inspired by agrarian thought, established the Imperial Association for Free Economy in 1766 and issued a royal decree which recognized that agriculture was the primary and basic industry of the nation. However this should not also be taken as the beginning of state-sponsored, capitalist agriculture in Russia. Contrary to expectations, serfdom was much stronger at the end of her reign than at the beginning.

Although Adam Smith's economic doctrines had not been unheard of prior to the rise of Anglo-phile feelings at the beginning of the nineteenth

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1) Probably B. B. Кафенгауз, И. Т. ПОШОШКОВ. ЖИЗНЬ И ДЕЯТЕЛЬНОСТЬ, 1950 is best on Pososhkov. Studies of his economic theory by American and European scholars include: B. O'Brien, "Ivan Pososhkov: Russian Critic of Mercantilist Principles", ASEER, Vol. XIV, No. 4, Dec. 1955; K. Papmehl, "Pososhkov as a Thinker", Etude slaves et est-europeennes, Vol. VI, Nos. 1-2, 1961; H. Chambre, "Pososhkov et le mercantilisme", Cahier du monde russe et soviétique, Vol. IV, No. 4, 1963. Some scholars, notably Породин and A. Brückner, regarded him as a transitional figure between mercantilism and classical economics and even think that he was the forerunner of A. Smith, pointing out that he considered production as the foundation of national wealth. But that fact can not give enough reason to qualify him as a classical economist. The essence of classical (esp. Smithian) economics consists not only in laying stress on production, but in grasping of the system of social division of labour, related to one another by way of circulation of commodities, and this viewpoint is lacking in Pososhkov.

About his book this much can be said; that it did not represent the transition from mercantilism to classical economics, but the economic thought of an agriculture-based absolutism or Oriental despotism, which happened to have some aspects of mercantilism. It is true that he talked about the exclusion of foreign merchants and preventive measures to check the outflow of gold and silver; it is also significant that he was considering the kind of policy that would contribute to the maintenance of serfdom and to the increase of the power of czarism. Moreover, international trade never occupied an important place in the Russian economy, so long as Russia was hardly a maritime nation and the use of hard money was not yet fully developed. Hence the characteristic view of the monetary system did not develop in full in Russia.
century, it was not until interest in and admiration for things British was
firmly rooted that classical economics could secure its ground in Russia.
(For the Great Revolution and the subsequent Napoleonic War had
disillusioned the Franco-philes among the aristocracy.) Not only Smith, but
also Jeremy Bentham were now beginning to be widely read among the
Russian public.

Smith's economic theory was first introduced to Russia by a couple of
students from University of Moscow, S. Desnitsky (С. Десницкий, ? -1789)
and I. Tretiakov (И. Третьяков, ? -1776), who had studied under the
Scotch master at the University of Glasgow from 1761 to 1767. They
translated and published their lecture notes. And the first Russian
translation of The Wealth of Nations was under government orders completed
in 1806. Yet Smith was a novelty to the Russian mind, for the character
of one of Pushkin's heroes epitomizes the vogue of Smith among certain
Russian aristocrats.

At this early stage, however, reading Adam Smith was no more than
an intellectual game of the upperclass people. Also their business interest
prompted them to study some aspects of Smith's theory. They spoke in
favour of free trade, because they thought that it would guarantee greater
business profit, especially in the trade with England in which forest products
and grains of Russia were exchanged for clothes and furniture from
England.

However there were some who studied Smith more systematically and
with coherence. For example, N. Mordvinov (Н. Мордвинов, 1754-1845)
tried to apply what he found useful in Smith's theory to Russia, i.e., the
idea of balanced development of various industries, and came to the
conclusion that what Russian needed most was industrialization. One thing
that distinguished Mordvinov from Smith was that he proposed a protectionist
policy for Russia. In this respect he was very close to Friedrich List and
Alexander Hamilton (1757-1804) who both advocated nationalist policies
of one kind or another. But in other aspects Mordvinov differed from
both of them. For it never occurred to him that it would be necessary to

2) P. Alekseev. "Adam Smith and His Russian Admirers of the Eighteenth Century", in
Scott, Adam Smith, 1937, Appendix VII; История русской экономической мысли. т. 1,
ч.1, 1955, стр. 558-587.
3) Instead he read all of Adam Smith's writings
And became a great economic thinker
In other words, he specialized in
Arguing how a nation's wealth can be increased
How a nation can hold its life
And why it does not appreciate
The need for money
When it has plenty of natural resources. (Quoted from Omogin.)
reform society socially and politically before a nation could be successfully industrialized. From such observation it may be safe to assume that in the early nineteenth century there was not the intellectual or social background in Russia that would have nurtured the kind of economic thinking that characterized List or Hamilton.

Such knowledge of Smithian economics which entered Russia came for the most part by way of the University of Göttingen, where a considerable number of the sons of Russian aristocrats were studying.

The influence of Adam Smith was apparent among the Decembrists or the group of young army officers who made a futile revolt against the czarist regime. They were convinced that the abolition of serfdom would bring a happy society. Probably we can say that N. Turgenev (Н. Тургенев, 1789–1871), who had studied under G. Sartorius (1765–1828) of Göttingen University4) was the medium through whom the young army officers learned about Smithian doctrines; and that he was also instrumental in bringing together English economic theory and the tradition of radicalism which had been latent throughout Russian history. In his Essay on Taxes his bourgeois aspirations are undeniable, especially with regard to the purpose and nature of taxation, and his wishes for the reform (if not abolition) of serfdom are hinted at. According to Turgenev, “Tax should be always imposed upon net income and not upon the capital itself” (ed. 1937, p. 26).

No doubt his essay was written in the manner of Book V of The Wealth of Nations (Of the Revenue of the Sovereign or Commonwealth).

The impact of the English thought was strongest in Russia in the early nineteenth century. The impact of France was strong once around the 1840’s, i.e., the coming of French socialism, and another time around 1850–60, the introduction of the doctrines of industrial enterprise and credit system expounded by the Saint-Simonists. And finally the German influence was persistent throughout the century if not in practical application then at least in the universities.

We shall dwell for a while upon the German influence upon Russian economic thought. One of the factors contributing to this phenomenon was the geographical proximity of the two nations, and the second factor was the fact that in both nations the state had supreme control over people’s lives, a social condition which was not seen in the England of the eighteenth nineteenth centuries where classical economic theory was nurtured. Therefore

4) In the early nineteenth century the University of Göttingen was aptly called the “University of Europe”, and generally considered as “the German camp of Smithianism”. For more detailed information see M. Wischnitzer, Die Universität Göttingen und die Entwicklung der liberalen Ideen in Russland im ersten Viertel des 19. Jahrhunderts, 1907. This book contains especially useful information about Russian students studying there between 1800 and 1825.
and it is not a surprise that we see the names of so many German instructors in the catalogues of Russian universities. Most of the first economics instructors had come from Germany, many of them taught the economics of the German historical school. It is also conceivable that the German scholars were in turn influenced by the conditions and institutions they saw in Russia and enlarged their views.

The development of economic studies in Russia may be summarized as follows. First of all in Russia economics did not develop as a tool with which to analyze civil society, but economic theory was either utilized to serve certain economic interests or transformed into bare ideology. Therefore whereas economic doctrines were considered as the mere décor of the czarist regime by its critics, they could still be the guiding symbols for Decembrists. Secondly there were always two groups of men who carried on economic studies in Russia. The one group was constituted mainly of high government officials and the other of the intellectual class (intelligentsia) opposed to absolutism. Furthermore, the positions of the two groups were diametrically opposed to each other. One outcome of such confrontation was that in Russia, unlike in England, the study of economics was separated from the practical life of the bourgeoisie and industry. And since there was no genuine academic freedom in Russian universities, economics as an academic discipline did not expect to grow with the kind of autonomy that might have been expected. Worse still, the government had the power either to banish radical and even liberal economists or close university chairs occupied by proponents of supposed dangerous ideas.

Things started to change toward the end of the nineteenth century.

5) Grellman, Heym, Kraft, von Schlözer (Sr. and Jr.), Hermann, Storch, Bayer, Backmeister were some of the German economists and historians who came to Russia in the early nineteenth century. Those who came toward the end of the century included Kankrin, Bruckner, Bernhardt and Schmarz. The University of Dorpat, founded in 1820, was called the Russian window for German economic theory and there a large number of German scholars gathered. C. von Schlözer was professor of economics at the University of Moscow from 1801 to 1826 and undertook comparative study of the Russian and American economies. H. von Storch, a Riga-born economist, was instrumental in disseminating Smithian doctrines in Russia and carried out historical and statistical study of Russian institutions. Such facts have led W. Roscher to speak of the German-Russian school of economics. See J. Seraphim, “Die Deutsch-Russische Schule”, Jahrbücher für Nationalökonomie u. Statistik, 1925.

6) Russian sources for the study of the history of Russian economic theories are innumerable, the most notable being the project, История русской экономической мысли, 1955-66 which is a comprehensive treatment (5 vols. and continued) of the subject. The world-wide perspective is that which is desired of these works. J.F.Norman, The Spirit of Russian Economics, 1944 may be found useful, though it is too short, and is weak in economic theory. N. K. Karataev (Н. К. Каратаев, Экономические науки в Московском университете, 1956) tells us something about “economics of university”.
The changing climate was felt, for instance, in the movement to protect the cotton textile industry in and around Moscow. The objectives of the movement were formulated by Mendeleev (Д. И. Менделеев, 1834–1907), a chemist by profession, who had some knowledge of List's economic theory. Besides, N. Ziebel (Н. Зибел, 1844–88) did more than average work in the study of economic theories from Ricardo to Marx; and Tugan-Baranovsky (М. Туган-Барановский, 1865–1919), the author of Industrial Crises in England (Промышленные кризисы в современной Англии, их причины и влияние на народную жизнь, 1894) which was given international recognition, was already teaching at the University of St. Petersburg.

Although the main trends in Russian economics were moving along the paths of the English classical and German historical schools, the influence of Marx and the Austrian school was beginning to be felt; it was no longer a negligible force. Narodnism also influenced professors of economics in the field of agrarian policy. Marxism and Populism were both in essence anti-government and were destined to become the most vivid expressions of potential Russian economic thought.

The founders of Populism were Herzen (А. Герцен, 1812–70) and N. Chernyshevsky (Н. Чернышевский, 1828–89). In Russia, where conditions were not so conducive to the dissemination of classical economics, the best brains of the nation concerned with the social and economic problems of Russian society became bitter critics of capitalism and whatever consequences it might have produced.

It seems to be the case that in economically less advanced nations there develops a strong anti-capitalist sentiment which is utterly out of proportion to its economic growth. In other words the intensity of such sentiment is disproportionate to the degree of capitalization of a particular nation; put the other way around, it has little to do with the stage of capitalist development of the nation. This is not hard to understand, because the backward nations have the advantage of learning beforehand what consequences capitalization may bring to them. So Sismondi's strong criticism of capitalism is understandable in view of his observation and experience of English capitalism. In Russia the contrast between the development stage of capitalism and the intensity of criticism against it was especially noticeable. Herzen hit the idea of a Russian socialism which would presuppose the continuation of the peasant communes. The communes would form the basis upon which Russian society should be based. For he had witnessed in Paris the return to power of reactionary forces after the seemingly successful popular uprisings of 1848 and felt that he could not have confidence in the future of Europe, thinking it was
already a thing of the past. He came to the conclusion that Europeanization of Russia was not a clever thing to do and was no guarantee of bringing happiness to the Russian people. In this way Russian socialism had been born before capitalism achieved any remarkable success.

With Chernyshevsky Russian socialism was closely connected with the idea of revolutionary democracy, which was then an extremely radical political theory. If we use Venturi's phrases, Herzen was the "true founder of Populism" and "Chernyshevsky was its politician".

Chernyshevsky studied the philosophical doctrines of L. Feuerbach, became critical of those who would imitate indiscriminately French vulgar economists, and had enough knowledge of J. S. Mill's *Principles of Political Economy* (1848) to establish himself as a critic of economic theories up to his time. His method of approach was to examine the issue of labour from an anthropological point of view. Yet it cannot be denied that his criticism of economics was that of a pre-Marxian socialist.

The rise of Populism which was to become the core of the socialist movement of the 1870's coincided with the rise of capitalism in Russia. Again a strong anti-capitalist sentiment characterized the populist movement. The social and economic conditions of Russia being as they were, it is not hard to see why bright young men were drawn more and more to Populism and became active in revolutionary activities. The young men, called Narodniki, were, like all other revolutionists, dedicated to their cause and strongly opposed to bourgeois domination. This legacy of Populism — its revolutionary zeal — was to be seen in Russian Marxism, although the latter had originally developed as a criticism of Populist principles. In this connection it may be noted that the radical wing of the German Social Democratic Party too was dominated by men and women of east-European origin ("Ostleute").

During 1870's Populists, recognizing the fact that Russia was partly if not completely penetrated by capitalism, thought that Russia would soon be a capitalist nation. They dreaded such a possibility, for the czarist regime would still linger on without losing its grip on the Russian people's life. But they were convinced that there would be some ways, some alternatives, to avert such a consequence. They felt that ways should be found to avert the capitalization of the entire nation and to lead Russia along the communal-socialist path.

There were two ways to achieve this objective and the choice of either

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8) Н. Чернышевский. Примечания к «Основания политический экономия» Милля, 1840.
was left for them to make. One was to stop physically the capitalization of Russia, or the overthrow of the czarist regime, and the other was to convince the rulers by peaceful means of the need for drastic change in the nation’s policy.9

The one factor that made the choice hard and complicated the matter was that capitalism was not the sole enemy of the Populists. The czarist regime, landowners, bourgeoisie, usurers were all equally regarded as the common enemy of the people and to be fought against. Capitalism, the feudalistic social order, serfdom; these were all evils massed against the advancement of the Russian people. Marx would have supported such basic assumptions of the Populists — of course with reservations.

Populists resorted to all means of revolution, ranging from the “Into the people” drive and educational work in the country to terrorism against high government officials. But when they suffered severe suppression following the assassination of Alexander II (March, 1881), the membership dwindled and even some leading men began to doubt the wisdom of their own cause.

The 1880’s was a time of confusion and reaction. And it took the great works of G. Plekhanov and his few friends to reorganize the once dissolved revolutionary movement and set it on the path of Marxism.

The Populism of this decade is called legal Populism, for it is different from the Populism of the prior period. Although the old and the new movements both had strong anti-capitalist features, there were some aspects which distinguished them basically. Firstly, whereas the earlier movement had the tendency to be radical or extra-legal in adopting tactics, the new movement aimed in principle at reform of Russian society without

9) N. K. Mikhailovsky wrote in Labour Problems at the Congress of Factory Owner, 1872:
“There are two paths for Russia to choose from. One is a simple and moderate path and approvable from the practical point of view; increase the tax rate, dissolve the peasant communes, and industry will naturally make rapid progress. But there is an inherent danger that workers will be exploited if this should happen. The other is the path in which the labour-management relations existing today will be improved. Its objective, however, cannot be expected to be achieved without active intervention by the state”. He said elsewhere in the same article: “The problem of labour is a revolutionary problem in Western Europe, because workers are now demanding that they are the ones who decide what the working conditions are going to be. The labour problem is a conservative problem in Russia, for here the workers remain owners of their labour conditions and the only thing required is recognition of their rights upon the latter”. The influence upon him of Proudhon and Louis Blanc is apparent. Needless to say he was much disappointed by the victory of the counter-revolutionary forces at the time of the Paris Commune.

10) For a more detailed discussion of this subject see my: “An Introductory Note to the Controversies of Russian Capitalism towards the End of the 19th Century”, Keizai Ronso (Kyoto University), Vol. 89, No. 1, January 1962. In this article I have discussed “the double path theory” of the 1870’s and “the failure theory of capitalism in Russia of the 1880’s. Also my: “Trends of Russian Economic Thought in 1890’s”, ibid., Vol. 94, No. 2, August 1964 treats the subject a little more extensively.
destroying the czarist regime. Hence its nomenclature: "legal Populism". Secondly, they differed in their view of capitalism. The older revolutionists recognized the penetration of capitalism into the Russian economy but tried to denounce it in practice. On the other hand, the younger group demanded amelioration of the conditions of the peasantry within the czarist regime. Whereas one group endeavoured to overthrow capitalism in practice, the other group accepted the fact of capitalism and tried to prove that Russian capitalism was destined to decline in the near future.

One of the first economic thinkers who predicted the fall of Russian capitalism was V. Vorontsov (В. Воронцов) whose *The Destiny of Capitalism in Russia* (Судьбы капитализма в России, 1882) has since become a "classic". In this work Vorontsov intended not to criticize and eventually denounce capitalism in its entirety, but to point out the inadequacy of Russian capitalism compared with that of Western nations and to describe the facts of exploitation and corruption, instead of the hoped-for progress in culture and productive forces, in Russian society. He pointed out that, since Russian capitalism was slow in coming, it could not compete successfully with advanced nations for markets. Russian capitalism was doomed to failure, because it had only a narrow and limited home market for the purchase of its products. Vorontsov wrote numerous articles on 'kustal' (Russian handicrafts), the peasant communes and other related subjects.

N. Danielson (Н. Даниельсон) was another major spokesman of the failure theory of capitalism and is famous for his translation of *Capital*. He wrote *An Outline of Social and Economic Conditions of Russia after the Liberation* (Очерки нашего переформенного общественного хозяйства, 1893) and in preparing for this work he made extensive use of statistical data. The conclusion he arrived at was that capitalism was doomed to fail in Russia, because it was destroying itself by eliminating potential markets in the country; the traditional economic order of the rural area must not be ruined, if capitalism was to continue to expand.

The arguments of Vorontsov and Danielson are far from perfect. Subsequent critics including V. I. Lenin and Rosa Luxemburg have pointed out the gross mistakes which the two men made. And some of their mistakes are unforgiveable. But even the fact of their making mistakes is worth looking into.  

1) See my: "Types of Theories of Capitalism in Russia That Appeared in the 1890's", (1-2), *ibid.*, Vol. 95, No. 6, June 1965, Vol. 96, No. 5, November 1965. In this paper I have examined a little more carefully the similarities and differences between the Populists and the Legal Marxists.

Some recent studies by the Japanese scholars of the social and economic conditions of the nineteenth century Russia are: Haruki Wada, "The Development Pattern of Modern Russian Society", *Shakai Kazoku Kenkyu* (Tokyo University), Vol. 17, No. 2 and 3, 1965; Shizuma Hinata, "Capitalism in Imperial Russia and the Labour-Service System in Agriculture", *Ibaragi Daigaku Nogakubu Gakujutsu Hokoku* (Ibaragi University), No. 9, 1961.
The defeat in the Crimean War struck home to the Russians the backwardness of their military preparation; it also made the Russian leaders aware of the necessity of making a drastic reform of Russian society. If the sorry experience of the Crimean War had been the immediate impetus, other factors such as the stimulus given by Western capitalism, the stark reality of competition with advanced nations, and the necessity of adjusting to the world situation in which the capitalist mode of production was becoming a matter of fact, compelled them to adopt a reformist spirit. Promotion of large-scale machine industry and emancipation of the serfs were among the measures seriously considered.

Russia thus began to be capitalized long after capitalism had been well-established elsewhere in the world under the leadership of British industrial power. However Russian capitalism, despite its slow start, grew gradually about the time capitalism had undergone a transformation from being industry-dominated to being finance-dominated. Its progress was generally in keeping with what G. Hallgarten calls the "classical period of imperialism (1890-1914)".

It was not only the belated start of Russian capitalism that made its development in Russia different from that in the nations of the West. It did not bring the reform of society that was common in advanced nations. The Reform of 1861 did not result in the complete abolition of serfdom; numerous survivals of the pre-capitalist (serfdom) era were still discernible. In other words Russian capitalism was built on czarism, half-remained serfdom, traditional employer-employee relations, and peasant communes; and its nature was determined by the interaction of these forces. Reforms attempted by Witte and Stolypin, both able statesmen, did not succeed in wiping away the heritage of the ancient times. Capitalism was penetrating Russia, but not a trace of "civil society" was yet formed. This was Russia at the end of the nineteenth century, and theorists were alike confronted with this situation.

Perhaps Russian capitalism came to the monopolist phase too prematurely and was destined to be overthrown by the October Revolution in 1917; it was merely half a century after the first step toward the modernization (capitalization) of Russia, i.e., the emancipation of the serfs, was attempted. Hereby began the first socialist nation in its career.

The belated start of capitalism and the multiplying contradictions that it exhibited may present only the negative picture, but they are not without positive or constructive merits. In particular, the peculiar experience of Russia contributed, paradoxical as it may sound, to the rise of economic studies in Russia. For it urged serious thinkers to reflect
seriously upon the merits and demerits of previously accepted economic theories; a basic and comprehensive review of all the existing theories was now strongly pressed. The best example of the above tendency was perhaps Karl Marx who thought that Germany would have to have a complete turnover of its tradition and social order if it were to escape the contradictions and dilemmas of the capitalist system. In the same way Lenin drew a comprehensive plan for the future of Russia by carefully observing the lessons of the experiences of the advanced industrial nations; the backwardness of Russian capitalism made it possible for Lenin to have an overall critical picture of capitalist society.

What has been stated above is the advantage that the backwardness of a nation gives to its economic thought. Another profit derived from it is that a backward nation can shake off the influence of bourgeois ideology and taste more easily than in the case of advanced nations where the bourgeoisie was the dominating force. There one does not have to strike a compromise between the interests of the bourgeoisie in power and the aspirations of anti-government elements. Those who press for reform can demand a complete change, and there is no need to be concerned about gradual or evolutionary progress; there is nothing but a socialist revolution.

Be that as it may, there is a danger inherent in such thinking, for too much concern with the immunity of thought from bourgeois influence can make one neglect the legacy of bourgeois society and the jumping over a historical stage with a spring-board of backwardness can involve a serious minus.

II Arguments of Plekhanov and Lenin concerning the Development of Capitalism in Russia

Plekhanov had started his career as a Populist and experienced the collapse of the revolutionary movement to which he had been devoting his life. From that time on however he concerned himself mainly with the task of formulating a theory of Russian revolution and reorganizing the now scattered revolutionists. The basic tenet of his thinking was of course orthodox Marxism.

Plekhanov's contribution to the Russian socialist movement was far greater than writing a commentary on Marx; he proposed a new theory of revolution based upon Marxist principles. The first thing he did was to clarify what was really at issue and in so doing he made known his criticism of the views of the legal Populists. He refuted both the theory of two possible paths (one is to capitalism and the other is to avert it) and the theory which stated that capitalism was doomed to failure in
Russia. It was his conviction that capitalism had already made decisive inroads into Russia and it seemed to him to make little sense to argue that capitalism was on the way out or that it was bound to fail some time. The second thing he did was to recognize the fact of capitalist penetration of Russia and try to make this the beginning of a socialist revolution in Russia. If Russia was not yet capitalized, it cannot be said to be ready for socialism; because capitalism is, as it were, the pre-condition of socialism. The backwardness of Russian society could not be without some effects on the course of revolutionary development. According to Plekhanov there must first be a bourgeois revolution, the objective of which was to overthrow absolutism. Russia could not be expected to become a socialist nation without the intervening stage of capitalism.

Thirdly he tried to incorporate the facts of the world situation into the theory of revolution. Of course he did not think of socialism in one country. According to him, the socialist revolution should begin in the advanced Western countries under the leadership of their proletariats and have some definitive influence upon the course of the Russian revolution.

Plekhanov’s theory of revolution may therefore be properly called the "discontinuous double stage theory of revolution". To quote his own words:

“We must admit that we by no means believe in the early possibility of a socialist government in Russia......

Considering all that has been said we think that only one aim of the Russian socialists would not be fantastic now: to achieve free political institutions, on the one hand, and to create elements for the setting up of the future worker’s socialist party of Russia, on the other hand......

To find together in one two so fundamentally different matters as the overthrow of absolutism and the socialist revolution, to wage revolutionary struggle in the belief that these elements of social development will coincide in the history of our country, means to put off the advent of both”12.

Russian Marxism was started by Plekhanov and carried on by able successors, Lenin and L. Martov. The major problem for them was without doubt how to interpret the present state of the Russian economy and of the social structure. Those who followed Plekhanov generally supported his view and went along with the theses put forth in his *Our Differences* (1885) in which was made “the first attempt to apply certain scientific

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theories to the analysis of extremely complicated and intertwined social relations". And Lenin's *The Development of Capitalism in Russia* (1899) should be regarded as a culmination of Plekhanov's theory of Russian capitalism. Indeed Lenin criticized the legal Marxism, which appeared in the 1890's alongside proletarian Marxism and the essence of which was bourgeois radicalism, but the main target of Lenin's attacks was nonetheless the Populists and their romantic interpretations of Russian capitalism.

First I would like to point out that the purpose of *Our Differences* was explicitly to criticize Vorontsov and his *The Destiny of Capitalism in Russia*, i.e., the failure theory of Russian capitalism. Specifically the Populist concepts of the unavailability of adequate markets for Russian industry (manufacturing), the stagnant numbers of wage workers, the conception of *kustal* as "people's" mode of production and the immobility of the peasant communes, were the targets of Plekhanov's criticism.

As stated previously, one of the major theses of Populism was that since Russia had entered the capitalist stage of economic development relatively late, it was placed in a disadvantageous position in the race for international markets. Plekhanov resolved the difficulty by stating that such would not be the case and that even the latecomer could develop its own internal (domestic) market for its bourgeois producers. The cases of France, Germany and the United States which were all backward nations at one time or another would prove this. In this sense high protective tariffs must be said to be a useful means to promote the domestic market and should not be taken as a sign of weakness of Russian capitalism.

From the vantage point of today we can say that Plekhanov's argument was far from adequate, though it was a vast improvement over his rivals. For he too had the notion that capitalism would be destroyed by its own inner contradictions, the most notable of which would be overproduction compared with what people demanded. This was the thesis that the Populists also had against the penetration of Russia by capitalism, and as such it was no more than a simple and abstract concept. Although Plekhanov did say that the transition from a natural economy to a money economy should bring about expansion of the domestic market for its products and that "the market will grow as production increases", his overall approach was nonetheless simple and abstract, stressing the tendency towards overproduction or underconsumption in the capitalist system. The narrowness of his view may be accounted for by the fact that he had not read Book

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13) Г. В. Плеханов. Изд. фил. проз., т.1, стр. 127-128.
14) "The Characteristic Nature and the Background of the Capitalism Controversy in Russia in the 1890's", *Keizai Ronso*, Vol. 92, No. 5, November 1963, may be referred to.
II of *Capital* and therefore had no access to the idea of a reproduction scheme or the theory of realization\(^{15}\).

As to the second item on the agenda, that is, the argument that the number of industrial workers would not increase in Russia, Plekhanov stated that, according to reliable data (factory statistics), the numbers of both industrial establishments and factory workers were increasing. And as to the third of the items, that is, the argument that Russian handicrafts were in fact produced by independent producers free from any kind of restraints from capital, Plekhanov replied that a large number of such producers were losing their independence and were in the process of being subjugated to commercial and industrial capital; that the "domestic system of manufacture" (putting-out system) was becoming the dominant type of manufacturing; and that domestic industry as sidework of the peasantry was declining under the influence of the factory system. It was his thesis that *semi*-proletarians or the owners of ‘*kustal*’ turning proletarian were coming into being alongside with the proletarians proper or the factory workers. The effects of capitalism had already reached thus far; ‘*kustal*’ were no longer the ‘people’s’ mode of production but were coming under the yoke of capitalist production.

The fourth and last item on the agenda was a problem of agriculture and it concerned the question whether the traditional peasant communes would and could survive the challenge of capitalism. The Populists thought that they would survive with slight modifications in their structure, and Plekhanov asserted that it was no longer possible to keep the old communal relations. Plekhanov conceded this much to the Narodniks: that capitalism had not yet completely penetrated Russian agriculture. But here their similarity ends.

What distinguishes him from all others is that he did observe the fundamental changes in the communal life of the Russian people. For one, agriculture in Russia was noticeably under the influence of capitalist encroachment, that is, it was already under commodity and or money economy. For another, the communal form of landowning was *de facto* being replaced by individual private property. The question to be asked here is whether it is good to allow the conversion of the commune to a more modern form of personal and property relations to happen: whether the interest of the peasantry and the perpetuation of the commune were compatible with each other. Plekhanov correctly observed that only the

\(^{15}\) But in reality Plekhanov continued to insist upon his underconsumption theory even after the publication of Book II of *Capital*. In 1905 he reproached Lenin because of the latter’s refutation of the underconsumption theory. См. Г. В. Пlekhanov, Изб. фил. произ., т. 1, стр. 232 (прим.).
middle class peasants showed an unqualified sympathy for the commune and that both the extremely poor and the rich were actually opposed to its perpetuation. Such observations convinced Plekhanov that social differentiation or disintegration of the peasantry was definitely taking place and that, with a greater and greater number of peasants, whether rich or poor, becoming dissatisfied with and critical of the existing conditions of Russian agriculture, it was inevitable that “a large majority of peasants have lost the ability to till their own land and are increasingly turning into a propertiless class”. “And only a handful of them can manage to increase their production and thus their property holding”\textsuperscript{16}.

Plekhanov seems to think that the condition of Russia could be compared with the condition of France on the eve of the Great Revolution; the confrontation between absolutism and the growing bourgeoisie was keener than ever. And evidences were many to indicate that “Russia has entered the school for capitalism”\textsuperscript{17}. For example, industrial capital was gaining strength and the use of large-scale machines was spreading far and wide, especially in the textile industry, and similar changes were imminent in agriculture as well. In short it seemed as though Russian conditions were becoming ripe for a possible bourgeois revolution.

Plekhanov’s theory that capitalism had penetrated Russia was made more elaborate and given substantial support by Lenin in his \textit{The Development of Capitalism in Russia}. The rest of this chapter will be devoted to a comparison of the views of Plekhanov and Lenin regarding the conditions of Russian economy and society.

First of all, we shall discuss the differences of background in which the two men laboured. There were three basic differences in the background between the time Plekhanov wrote his book and the time Lenin prepared his criticism of his earlier view.

First, it must be pointed out that capitalism in Russia had made progress before Lenin started writing his book. That is to say, whereas the decade of the 1870’s was marked by bustling economic activities, the following decade was plagued by chronic depressions. This might well have been one of the contributing factors that had given rise to the failure theory of Russian capitalism. However the worst was over by the great famine of 1891 and the reforms initiated by Witte brought about a recovery and Russian capitalism entered the era of rapid progress under the so-called Witte System (1892–1903), and the failure theory of Russian capitalism lost its background. When Lenin wrote his book, the victory

\textsuperscript{16} Там же, стр. 265, 267.
\textsuperscript{17} Там же, стр. 289.
of the development theory of Russian capitalism over the failure theory was already almost decided.

Secondly, statistical data which had not been available to Plekhanov were now available to Lenin. Old data were improved and new and hitherto unknown data were published, and formed a reliable basis upon which Lenin could lay his major premises. The fact that he had access to the new and improved statistical data, such as Zemstvo’s statistics of many districts, favoured Lenin far more greatly than could be expected at the time Plekhanov was writing his work.

Thirdly, it must be remembered that it was not until 1885 and 1894, respectively, that Volumes II and III of Capital were published. There is no doubt that Lenin was inspired by the insights and suggestions of Karl Marx, which Plekhanov could not have known about. About the inspiration given to Lenin by the reading of these volumes of Capital we shall speak more extensively later in the present chapter.

Thus it is obvious that the intellectual and socio-economic circumstances favoured Lenin much more than Plekhanov. But is this the only explanation we should expect in order to account for the difference between the arguments of Plekhanov and of Lenin? I think we must look for the real explanation somewhere else, for it is not the conditions in which one does his research but the attitudes and the vision of his thought, that determine the nature and scope of his thinking. In this respect there is no doubt that Lenin was a far superior theoretician to Plekhanov, and it is not at all certain whether Plekhanov would have come to the same conclusions as Lenin’s had he been in his position and had he had the use of the same source materials.

Next we shall review some of the important observations that Lenin contributed to the better understanding of the nature of capitalism, particularly the problems of the market in Russia, to the better (or keener) analysis of Russian conditions and to the improvement of methodology. First Lenin’s theory of the market will be discussed.

As stated before, Plekhanov’s treatment of the problem of the market was far from satisfactory; in other words, his theory of the market cannot be said to have been fully analytical or comprehensive. Lenin’s theory, it would be safe to state, was intended as an improvement and a revision of that which was expounded by Plekhanov. Lenin wrote his first paper on the problem of the market in 1893: “On the so-called Problems of the Market”. Herein are found the major themes of Lenin’s theory of the market. In his first essay on the problems of the market the recurrent

themes of his later works have been expounded. Perhaps we can say that in this paper we find the most comprehensive treatment by Lenin of the problem of the market.

Part III of Volume II of *Capital*, in which Marx discusses the so-called theory of realization or the reproduction scheme, is the basis from which Lenin starts his whole argument. He probably understood the implications of Marx's scheme better than any other man; and also the limitations of the theory of realization too. The theory of realization presupposes "sole and exclusive domination of capitalist production", and using this dictum Lenin criticizes the view of the Populists that realization of surplus value is a structural impossibility. The alternative view he proposed was that the market did grow under the capitalistic mode of production. He composed a new expanded reproduction scheme, which is essentially identical to Marx's except that in this new one the moment of progress of the organic composition of capital was introduced, a feature which Marx's scheme lacked. Lenin's scheme may be properly called the scheme with progressing organic composition of capital. According to Lenin's scheme the following is clearly shown; "Production of the means of production increases most rapidly, production of the means of production of consumer goods is next, and production of consumer goods increases least".

In this connection it may be noted that Lenin is critical of the rashness of some people who deduce the "independence of production from consumption" from the fact that under the capitalistic system the market growth is owing more to the demand for production means than to the demand for consumer goods; Lenin does not think that consumption and production (of the means of production, that is) can be considered separately. And the view, which Lenin is critical of, is the one that was popular among the legal Marxists like Tugan-Baranovsky who seemed to think of the reproduction scheme in its relation to English classical economics. Lenin's criticism of legal Marxism is best expressed in "A Note Concerning the Theory of Market" (1898) and "Once again on the Theory


Another important article by Lenin on the theory of the market is: "Characterization of Economic Romanticism" (1997). The English version of Lenin's works referred to in this paper are or else will be found in V. I. Lenin, *Collected Works*, Moscow, 1960, in 40 vols.

20) The question still remains whether such a proposition may be applied to a more general situation and to modern capitalism in particular. For this problem see A. Evenitsky: "Marx's Model of Expanded Reproduction", *Science and Society*, Vol. XXVII, No. 2, Spring 1968.
of Realization” (1899).

The theory of realization does not solve all the problems of the market. It seems as if one would miss the crux of the matter if he should try to solve the problems only through the theory of realization. For the essential condition for the application of the theory, i.e., “the sole and exclusive domination of capitalist production”, was simply nonexistent in Russia in the first place, and in the second place what needs to be done is not to devise a model with which to explain the market development under the domination of capitalism, but to ask whether it is possible to establish such a system of domination of capitalism or whether the shortage of the market is a serious obstacle to this process.

The cardinal point to be explained is the process of the formation of markets before and at the same time towards capitalism, not the development of markets within established capitalism. I think, for the reasons above, the theory of the market in this sense should be called the theory concerning the formation of the market, to be precise.

Upon the formation of the market Plekhanov touched only briefly. He did say that when the transition from a natural economy to a commodity economy takes place, the market will automatically expand; but no more. However, Lenin devised an extremely elaborate market formation tableau which would produce a comprehensive view of the process of market formation during the early stages of capitalist development. The underlying assumption is that where private ownership of property is dominant, social division of labour will be accompanied by the expansion of the market. It may be noted parenthetically that Lenin’s main source of inspiration was Section 5, Chapter 24, Volume I (Repercussion of the Agrarian Revolution on Industry. Creation of the Home Market for Industrial Capital) and Chapter 47, Volume III (The Genesis of Capitalistic Rent) of Capital.

Lenin’s tableau starts with the assumption of the existence of a perfect natural economy in which there are producers who are self-sufficient economic units by themselves. Overall there are six developmental stages and this is the first stage. By the time the economy reaches the sixth or last stage the six original producers will be divided into two groups, extremely rich or extremely poor and we will find a markedly expanded, rather than diminished, market for the goods produced\(^\text{21}\).

In the second and third stages social division of labour and production of specialized goods will emerge, respectively. Already at this early period the potential expansion of the market is noticeable. The last three stages are devoted to the explanation of why and how the lower half of society,

\(^{21}\) В. И. Ленин. Сочинения. т. 1, стр. 78-79.
i. e., the producers who have not done so well compared with others, are worse off than when they started, and why and how the changes in the social and economic relations result not in the diminution of the market but in its expansion. In short the lower half of society, who might be described as proletarians or those who are becoming proletarian, will buy more goods in the domestic market than they used to do before the breakup. Their level of consumption, i. e., quantity of goods they consume, must diminish, but the quantity they buy will rather increase, because now they do not have natural products produced by themselves as before. (Lenin's tableau however does not mention the economic meaning of the fact that the means of production which have been previously owned by the now proletarianized people are in the hands of the top half of society and used for capital purposes by the latter.) Thus Lenin succeeded in refuting the Populists position that the decline of the peasantry would necessarily bring about the diminution of the domestic market.

The social division of labour and the breakup (or the polarization) of the original producers are the two factors that are considered in Lenin's tableau; all others have been deliberately left out. The complicated historical transition from a feudal to a capitalist economy cannot be shown in it. The tableau shows only the developmental processes from a natural economy through a commodity economy to capitalism. However the fact that Lenin has left out some important factors does not mean that his tableau is worth less than it has for long been agreed. For if we match it with the facts of the disintegration of the peasantry, we will have a clear picture of what stage of economic development Russia was in. Therefore, to sum up, Lenin's theory of market was a vast improvement over that of Plekhanov, the former having a profound analysis and keen understanding of the meaning of the disintegrated peasant class; for Lenin the disintegration of the peasantry was the key to understand the development of capitalism in Russia.

Next we shall deal with the question of how or in what manner Lenin observed the existing conditions of Russia; for correct understanding of the present conditions is a most essential step toward the solution of persistent social problems.

It has been stated previously that capitalism had undergone some change during the ten years that separated Plekhanov's and Lenin's writings, and that more reliable data were available to Lenin than to Plekhanov. What was great about Lenin however was that he availed himself of the favourable conditions; he now had a better tool of analysis than Plekhanov had.
For example, Lenin was extremely cautious about the use of statistics which had been accepted uncritically. He was clever enough to avoid the pitfall of using the "average" figures found in Zemstvo's statistics, for the "average" often hides the small but significant differences between the items compared — in this case the economic status of the farmers. And for another example we can cite Lenin's ingenuity which drew a distinction between the term "factory" used for statistics purposes and the term "factory" used in a rigidly scientific sense (according to Marx). He pointed out that in fact there were different types of kustal or that Russian handicrafts were not equal in growth, with some at the handicraft stage and with others reaching a manufactory stage (again in Marx's terminology). Lenin's contributions in this area may be best revealed in his "New Economic Trends in the Peasant Life" (1893); "Statistics for Kustal in Pelmi Prefecture for the Years 1894-5 and Some General Problems Concerning It" (1897); and "Factory Statistics in Russia" (1898).

While Plekhanov examined the industrial growth of the several provinces in and around Moscow and the agricultural region of Central Russia, Lenin stretched his areas of study to almost all regions and provinces in what is generally known as Europe-Russia. Especially Lenin picked the exterior region — namely the Southern Exterior — to examine the distintegration process of the peasantry in a pure form; for in that region serfdom had never existed before. In order to show that Lenin broadended the subject-matters of investigation we will do well to point out that, in addition to analyzing agriculture, industry, transaction of commodities and wage labour in Russia, Lenin dwelt extensively on the problems of corvée or landowner's economy, which Plekhanov had neglected.

And finally there is the difference of organization between the works of Plekhanov and Lenin, and this difference is in large part due to the difference in their methodology.

Plekhanov and Lenin seem to treat the development of capitalism in the opposite way. For the starting point for the former is the influence upon the Russian economy of the capitalism of the West; from there he proceeds to Russian manufacturing and then to Russian agriculture. Even within the same field Plekhanov proceeds from the higher phase to the lower one. So he first discusses the problems of the factory and industrial proletarians and then the effects of capitalism on traditional handicrafts. In his scheme the disintegration of the peasantry is the last exposed. For the disintegration of the peasantry is possible only after capitalism has been firmly established in Russia. As the introduction of Western capitalism into Russia was the essential part of the capitalization of Russia — its
first step, so the capitalization in industry and other related fields is indispensable for the capitalistic transformation of the peasant communes.

Contrary to this, Lenin leaves out the influence of Western capitalism completely and takes nothing for granted that Plekhanov assumed to be self-evident. So Lenin pays his attention first to the problems of agriculture and then to the problems of manufacturing industry; he moves from agriculture to industry (manufacturing). The disintegration of the peasantry is the first thing Lenin considers. So what was treated as the last stage by Plekhanov is placed at the opening of the analysis by Lenin. So with the changes in manufacturing. He proceeds from small enterprises on to their development into capitalistic manufacture and finally to large-scale machine industry. Lenin's approach is always from what is relatively low or backward to what is relatively high or advanced.

But Lenin did not intend a chronological presentation of the developmental stages of capitalism in Russia. Far from it; he would have no sentimental reminiscences over the past. His concern was, is and always will be for the future development of the Russian economy; he studies economic history solely for the purpose of getting the clues with which to describe the present conditions of Russian society and to provide suggestions for the future.

It is likely that the stages of economic development not only appear chronologically or one succeeding another, but also exist simultaneously. In other words, it is expected that at one period different stages of economic development co-exist. If this is true, any chronological presentation is in fact an attempt to rearrange in relation to time of several stages which exist side by side or in a space relationship. To be more specific, the least advanced and the most advanced forms of capitalism can be seen existing simultaneously in any society, but the general trend is ever and ever in the direction of the more advanced type; in other words, the change is always from the lower to the higher. Such a conceptual scheme seems to make more sense than that of Plekhanov and the kind of rearrangement Lenin makes helps us see clearly the relations existing between different developmental stages. And if we can say that Lenin's theory of the (domestic) market provides the clue to the understanding of mutual or interdependent relations between several industries, then his developmental scheme offers the key to the understanding of the historical process of growth within one particular industry as well as the economic growth of society as a whole. It may be stated here that Lenin based his argument on Marxian doctrines found in Part IV, Volume I of *Capital* (Production of Relative Surplus Value — Developmental Processes of Various Forms of Capitalistic Produc-
tion from the Low to the High Stages) and Part VII (The Accumulation of Capital).

Chapter I of Lenin's *The Development of Capitalism in Russia* is a general introduction. To sum up, the problems of the domestic market "cannot be considered separately and independently of the problem of the developmental process of capitalism" and social division of labour, transformation of labour-craft into a commodity and the improvement of the means of production, all factors determining the nature and the scope of the domestic market, themselves undergo changes and at the same time govern the size of the market. What is characteristic of Lenin is that he thinks these factors do contribute to the expansion of the market and not to its diminution. According to him "to ask how the domestic market for Russian capital is formed is essentially the same as to question where the various aspects of Russian national economy are heading and how these aspects or factors are related and interdependent upon each other". Chapter II is a recapitulation of his earlier attack on the Populist view of the problems of the domestic market. In this chapter the disintegration of the peasantry is discussed, for, as stated previously, this is the undeniable evidence that capitalism is penetrating even to the bottom of Russian society and its understanding is basic to the analysis of the formation of the domestic market.

In Chapter III Lenin discusses the transition of the landowning system from corvée (labour-service system) to capitalism. The structural change in the landowning system and the "Ausser ökonomischer Zwang" still existing in it are the subjects of his special concern. Although he touches upon the fact that there are numerous survivals of ancient serfdom, his thesis is still the same: both the landowners and the peasants are going along the road to capitalism and they too are contributing to the formation of the domestic market. Chapter IV is devoted to the analysis of the rise of commercial agriculture, that is, the facts of social division of labour in agriculture and capitalization of agriculture in general are reviewed. Three chapters from Chapter V to Chapter VII deal with small-scale industry, capitalistic manufacture and large-scale machine industry in that order. We shall not dwell upon the question of the rise of industry in Russia more than is necessary, for this subject has been extensively discussed in relation to the developmental theory of Russian capitalism. Chapter VIII is the concluding chapter and its title is appropriate: "The Formation of a Home Market". In this Lenin recognizes that the Russian proletariat is increasing with the development of capitalism, and the most advanced group consisted of a true

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22) В. И. Ленин, Соч., т. 3, стр. 47.
23) Там же, стр. 47.
industrial proletariat, although its backward members were still "the type of wage-earners holding allotted land in their home village."24)

Before concluding our present discussion it may be stated that Lenin's scheme of developmental stages should not be considered separately from his theory of the formation of the domestic market, because the progress of capitalism and the expansion of the domestic market are in fact two aspects of one and the same movement: The concept of the developmental stages of capitalism and the theory of the formation of the domestic market are two analytical tools with which to look at one and the same process.

Parenthetically it may be also added that the basic assumption of The Development of Capitalism in Russia is that the Russian economy should be thought of as a self-sufficient unity and that the growth of capitalism therein should be represented in a scheme which is complete in itself. Lenin left out other important factors, such as the position of Russian capitalism in the world capitalism, the influence of foreign capitalism upon Russian, and the role of the state. It is said that Lenin left out such factors because he had to publish the work legally. This reason is not to be denied. But it seems to me that there would be a more profound reason; for Lenin's aim of presenting a self-sufficient scheme of development of capitalism in Russia as a penetrating critique against "the failure theory of Russian capitalism" it would be rather suitable to neglect such factors. Lenin's The Development is a completed version of "the development theory of Russian capitalism", commenced by Plekhanov's Our Differences25).

III Views of Plekhanov and Lenin of Russian Society

Plekhanov and Lenin had two things in common. In the first place they both denied the view held by the Populists that Russian capitalism was fundamentally different from that of any nation in the West. Both Plekhanov and Lenin had the notion that, if any difference existed between the two kinds of capitalism, it was not difference in essence but difference in the time of appearance. So the so-called peculiarity of Russian capitalism was simply its belated appearance. In the second place, they were both

24) Там же, стр. 616.
25) In addition to what has been just said, it may also be pointed out that The Development of Capitalism in Russia is the production of loyal application of the doctrines of Capital to analyze one-state capitalism. Capital is essentially a theory of capitalism in general, or one-state capitalism, and not a theory of concrete world capitalism as suggested by Marx's "Plans" of "Critique of Political Economy". This circumstance may have been a factor contributing to the above-mentioned character of Lenin's work.
concerned to find and assign the important role to the industrial proletariat; they were the ones to whom the difficult task of carrying on the socialist revolution was entrusted. Conditions in Russian society were such that it was felt necessary to recognize publicly the significance of the role given to the proletariat, and Plekhanov and Lenin did satisfy the popular demand.

However the two founders of Russian Marxism found each other in conflict on the occasion of the publication of *Iskra (The Spark)* in 1900, and their confrontation became heated immediately after the Second Party Congress. In fact they were to have different opinions on several occasions — the First Russian Revolution (1905), the First World War and the Revolution of 1917 —, but it is not the purpose of this paper to discuss the clash of opinions in the later years. For here the theory of party organization is involved, which falls outside of the proper scope of the history of economic thought. What we can do and should do here is rather to review the different views they held of a revolution for Russia, the different approaches they took to the existing socio-economic problems and the different types of reflection they made on the general subject of capitalism.

As stated before, the inception of Russian Marxism was the double stage theory of revolution proposed by Plekhanov. Needless to say, it was not the case that Plekhanov meant the same kind of bourgeois revolution for Russia, as seen in the West, when he spoke of an intervening revolution before moving on to a socialist revolution. Instead he had in his mind a proletarian-led bourgeois revolution in which the proletariat should not follow the leadership of the bourgeoisie but should assert their autonomy or independent role. In Russia it was possible to provide the proletariat with such a formidable role, for there the proletariat armed themselves with revolutionary, socialist doctrines much sooner than might have been expected of the proletariat in any other nation of the West; this was one

26) The personal relation between Plekhanov and Lenin is a complicated matter. It cannot be explained by a single factor of Bolshevik-Menshevik confrontation. For even after 1903 when Plekhanov was approaching the side of a more moderate group (Mensheviks), he called for unity of all revolutionists, reconciliation of the two factions being the primary concern. And after 1908 when the Mensheviks revealed their separatist will, he came near to the side of the opposing group. As S. H. Baron shows in his remarkable study of Plekhanov (*op. cit.*), there were strong Leninite elements in him too. The essence of Plekhanov may be non the less defined as "objectivism within Marxism", he succeeded faithfully to many features of Engels in later years.

His theory of revolution was Europe-centered and as such differed markedly from that of Trotsky who thought that Russian revolution cannot stop at the stage of bourgeois revolution and it must lead to the seizure of power by proletariats, and simultaneously to the world-wide socialist revolution. Lenin started from Plekhanov's view, but in 1917 he agreed to another's. See footnote 44).
of the advantages of a backward nation where the industrial proletariat will emerge, not necessarily corresponding to the developmental stage of its economy or social conditions. For it had been Plekhanov's conviction that, unless they assumed in the early stage an independent role for themselves, they would be easily suppressed by reactionary counterforces, just as the German Socialists had been under the Anti-Socialist Law. Paradoxical as it may sound, it is important for the proletariat to secure such an active role if the bourgeois revolution is to be considered a success and if changes in society are to be effected. The Russian Marxists who came after Plekhanov generally accepted this view of Plekhanov concerning the role of the proletariat.

Lenin too was ready to assign a major role to the proletariat; in his thinking too the proletariat would occupy the central role as early as in the bourgeois revolution. Whatever difference existed between Plekhanov and Lenin was in their views of who should be the allies of the proletariat or in whom the proletariat should place their confidence, inasmuch as they both thought that the proletariat must have some kind of allies.

All forces opposing the absolute rule of czarism are by definition the allies of the proletariat. But what are they specifically? The bourgeoisie or the liberals? Or the peasants? Plekhanov thought that the liberals were such both in ideology and in action, and held the peasants responsible for the survival of absolutism, because they were conservative by nature and "politically apathetic and intellectually backward". Although he once said: "The peasants are an extremely powerful reserve of the Russian revolution".

Lenin's view is the exact opposite of Plekhanov's. He had a strong suspicion of so-called liberalism and the bourgeoisie and saw in the peasants the best qualified allies of the proletariat. It is beyond the scope of the present paper to discuss fully the reasoning behind Lenin's conclusion that the peasants should be the allies of the proletariat. So we shall here give only a brief summary of it.

There are three steps through which Lenin reached the notion of a bourgeois revolution — in which of course the alliance of the proletariat and the peasants should have the dominating role — which, because of the nature of its supporting members, aims at the nationalization of the land, a definitely agrarian land reform. The first step is his understanding of the actual conditions of Russian society. Lenin sees two sorts of antagonism in Russian villages; one is that among the peasantry themselves

28) Там же, т. IX, стр. 114.
as the result of their competition as commodity-producers, the other that between the peasantry as a whole and the landowners. The latter contradiction is rather pre-capitalistic than capitalistic in nature, for the persistent remains of serfdom survive in the peasant-landowner relations. Lenin recognized this as the major contradiction, and in this fact a possibility of "bourgeois revolution as peasant agrarian revolution".

The second step is the proposition of the theory of "two paths for capitalization of agriculture". One is the evolutionary way (Prussian type) and the other a revolutionary way (American type), both of which lead to capitalization of a society. Here the question is not whether but in what manner capitalism has penetrated Russia. The specific mode of capitalistic production and all the socio-economic relations that grow out of it are what Lenin is concerned about. In this sense it will be imperative carefully to examine the peculiar character of the social and economic conditions of Russia, for the prospects for the future socialist revolution in Russia depend no little measure upon which type of capitalism will be established.

The third step is the analysis of the implication of the nationalization of land where the mode of production is still in large parts half-capitalistic. Lenin resolves the difficulty by stating that abolition of all privately owned property and the nationalization of land are the very means by which to wipe away anything that pertains to pre-capitalist systems: the remains of serfdom, the peasant communes, etc. The conclusions drawn from the above reflections are incorporated into his theory of a democratic, bourgeois revolution in which the proletariat and the peasants find themselves in alliance and in which land reforms are the most important part of the revolutionary program.

Lenin developed his double path theory of a "bourgeois" revolution — its purpose and nature and who carries the burden of actually getting things done — several years after the publication of *The Development of Capitalism in Russia*. This theory of his was best illustrated in "The Agrarian Program of the Social Democratic Party in the First Russian Revolution (1905-07)" (1907), of which he was the author. It may be worth our while to examine to what extent, if any, his theory of the formation of the market was modified by the more recent study and how, if at all, the two theories are connected. It seems that we cannot leave out one while considering the other.

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29) There are several other important articles by Lenin written in support of the double path theory: "Two Tactical Proposals for the Social Democratic Party in a Democratic Revolution" (1905); "Agricultural Problems of Russia at the End of the Nineteenth Century" (1906); "Capitalistic Structure of Agriculture Today" (1910); "In Memory of Herzen" (1912); "Two Utopias" (1912); "A Letter to Gorky" (1911).
Two things will be made clear from this comparison. The first is that Lenin’s double path theory of a “bourgeois” revolution—which is closely connected with socialist revolution—for Russia is one step forward from his earlier theory of the formation of the market. For the theory of the market establishes the fact of the inroads that capitalism has made in Russia, and the double path theory discerns the type of such inroads, the pattern of the development of capitalism in Russia and its influence on various aspects of Russian society. In short the pattern of development, not the direction of development, is what is at the center of the double path theory; for the latter is already shown in the market formation theory. Lenin writes: “Russia has only one path before her, that of bourgeois development. But there may be two forms of that development. The survivals of serfdom may fall away either as a result the transformation of the landlord economy or as a result of the abolition of the landlord latifundia, .... These two paths of objectively possible bourgeois development we would call the Prussian path and the American path, respectively. In the first case the feudal landlord economy slowly evolves into a bourgeois, Junker landlord economy, which condemns the peasants to decades of most harrowing expropriation and bondage, while at the same time a small minority of Grossbauern (“big peasants”) arises. In the second case there is no landlord economy, or else it is broken up by revolution, which confiscates and slaps up the feudal estates...... In the first case the main content of the evolution is transformation of feudal bondage into servitude and capitalist exploitation on the land of the feudal landlords —— Junkers. In the second case the main background is transformation of the patriarchal peasant into a bourgeois farmer” 30.

The second thing that will come out of the comparison of Lenin’s two theories is that the later theory necessarily contains corrections and modifications of the earlier theory. Although Lenin touches upon the notion of double path development for Russian capitalism in his The Development of Capitalism in Russia (see Chapter III —— Labour Service System, and “Uncritical Criticism” in the Appendix), he does not come out and say openly that the reform of the landholding system is the most important issue for Russia. However in “The Agrarian Program” the landholding system receives the attention that is its due. He writes that “there are 15 million farmers in Europe-Russia holding land in total of 75 million dessiatins. Thirty thousand, chiefly noble, but partly also upstart, landlords each own over 500 dessiatins — altogether 75 million dessiatins. Such is the main background of the picture” 31.

30) В. И. Ленин. Соч., т. 18, стр. 215-216.
31) Там же, стр. 386.
The correction Lenin made to his earlier notion of the possibility of capitalistic agriculture in Russia, and the recent emphasis he laid on the land reform, were the result of his new reflection on the development phase of Russian capitalism. He criticizes his own view thus: "The reason why we committed such a mistake (referring to a 1903 program; author's note) is that, although we may have grasped correctly the direction of its development, we failed in assessing rightly the moment or phase of it. . . . At that time we thought it trivial to think about the survivals of serfdom and assumed mistakenly that capitalism had been well-established as well in the allotted lands as landowner's m. He is of the opinion now that capitalization of Russian agriculture was not so advanced as he once imagined it to be; he made the mistake of "overestimating the degree of capitalization of Russian agriculture". In fact the progress in agriculture was so slow that the land problem was still mounting. The conditions of Russian agriculture being as they were, it was now even possible to speak of an "agrarian revolution by the peasantry" and to consider the land reform as the most crucial issue in Russia then.

It may be pointed out that Lenin reevaluates Populism from the point of view of the double path theory. He defines now it as the "ideological incrustation" of peasant agrarian revolution, which makes contrast with his earlier attack upon it labeling it a petit-bourgeois ideology which grossly misunderstands the nature of socialism. Lenin does not change his evaluation of Populism as petit-bourgeois, but he recognizes that it reflects the "progressive, revolutionary petit-bourgeois democracy" and admits that it has been persistently contributing "capitalistic proposals in the field of agriculture". In short Lenin does not disregard as nonsense the demand of the peasants for the nationalization of the land, but regards it as the manifestation of their capitalistic aspirations. Paradoxical as it may sound, it was the agrarian demand for capitalism that existed in Russia and this provided an example of capitalization from below.

Now we shall return to Plekhanov — that is, how he regarded the problems of the peasantry, who he thought were the allies of the industrial proletariat, and in sum what was his view of contemporary Russia.

Plekhanov was aware of the persistent survivals of serfdom as pre-capitalistic remains. For example, as early as the 1880's he had called attention to the need for a "thorough revision of land relations in our country"; for him this was No. 1 item to be considered in a bourgeois revolution. Therefore it is no wonder that he should have supported the

32) Там же. стр. 264.
33) Там же. стр. 214.
34) Там же. т. 18. стр. 328.
35) Г. В. Плеханов. Изб. фил. произ. т. 1. стр. 380.
policy of confiscating pre-capitalistic landownership as a progressive measure. Also he was convinced that the social structure of Russia was different from that of any other nation of the West, and spent a great deal of time and energy in trying to explain the reasons; the factors that had been contributing to make Russian society as it was. When Lenin was devoting himself to investigate the present conditions of economy, making use of statistical materials, Plekhanov was tracing back to the past, to make clear the distinctive features of Russian society with aid of the comparative method.

First of all, Plekhanov thought that the social structure of Russia was semi-Asiatic or completely Asiatic and that it was radically different from that of Western countries. He wrote that "Russian society is marked by peculiar characteristics which distinguish it from the society of Western nations and which remind us of great Oriental despotism". Russia lay right between the Orient and the Occident; throughout its history sometimes the Oriental or Eastern aspects dominated and at other times the Occidental or Western features came to the fore. Russian absolutism had elements of Oriental despotism as seen in Egypt, Persia and China where "the total subjugation of all classes to the state" was a common feature and where all the land of the nation belonged to the ruler and his power over his subjects was absolute and unrestricted. In a society like this no constitutional rights were guaranteed, no concept of liberty and freedom was likely to develop and, above all things, it was least likely that intermediate forces could expect to play an active role — the mediating role between the ruler and the subjects.

Perhaps it may not be too far from the truth to say that the theory of Oriental despotism occupied a central position in some sense, from which and around which his later works emerged; he stressed the historical meaning of the geographical environment, and regarded the Asiatic and Antique modes of production not as having existed necessarily one after another, but as having existed contemporaneously side by side in different parts of the earth, and in his investigation of the history of social

36) Г. В. Плеханов, Соч., т. XX, стр. 11.
37) Там же, стр. 117.
38) It seems that Plekhanov is using "Oriental despotism" and "Asiatic mode of production" interchangeably. Plekhanov writes: "As Marx remarks, the Oriental, the ancient, the feudal and the modern capitalist modes of production may be regarded, generally speaking, as successive ("progressive") epochs in the economic development of society. There is however reason to believe that later, when he had read Morgan's book on ancient society, he modified his view as to the relation of the mode of production in antiquity to that of the East. ... Each of these two types differed considerably from each other, their chief distinctive features were evolved under the influences of the geographical environment, which in one case prescribed one kind of aggregate production relations to a society that had achieved a certain degree of growth in the productive forces, and in the other case, another kind, greatly differing from the first" (Г. В. Плеханов, Избр. фил. произ., т. III, стр. 164-165).
thought he laid emphasis on the specific and curious destiny that Western social thought had in Russia owing to the differences in the social structures between Western Europe and Russia.

For him the most urgent question is what to do with "that which is semi-Asiatic" which still exists in the relations between state and peasants. Hence the meaning of any bourgeois revolution must be determined by its social as well as its economic consequences. And he was concerned in no small degree with the survivals of serfdom in the landowner's economy. In the Party Program of 1903, which was the result of a compromise between Plekhanov and Lenin, the following point was made: "Capitalism is already a dominant mode of production in Russia, but there are a number of survivals of the pre-capitalistic system which was founded upon the bondage of the subjects to the state, to the head of the state, and to the landowners". Be that as it may, Plekhanov paid less attention to the relations between the landowners and the peasants than he perhaps should have; but he put his emphasis on the relationship between the state and the peasants. For one thing he thought that a majority of landowners were destined to decline, unable to keep up with the pace of the progress of capitalism. For another he was interested in the result of the Emancipation Proclamation of 1861. He thought that the Emancipation should have put Russia on the capitalist road but was surprised to find "how Asiatic" the policy really was, and that "subjugation of the peasants to their landlords had been abolished, but they were now under the absolute control of the state". The intervening existence, i.e., the landlords, was abandoned and the peasants were now directly subjected to the state. They could claim no legal rights against the state; they had joint responsibility to pay tax; they were bound by various regulations such as the one that stated that they could not leave the land at will; and they were obliged to pay miscellaneous taxes and redemption-money. Conditions had improved somewhat by the end of the nineteenth century, but Plekhanov still felt that there were Asiatic relics, such as "the traditional bondage that exists between the state and those who cultivate the land" and "the peculiar way in which the land is under the direct supervision of the state".

Secondly, we shall examine whether Plekhanov's theory of the development of capitalism in Russia and his view of Russian society are compatible or not; whether they are in fact complementary to each other.

I think that they are not only not incompatible but only complement each other in explaining the social and economic conditions of Russian society. According to Plekhanov, the theory of the development of capital-

39) КПСС в резолюциях съездов, конференций и пленумов ЦК. т. 1. стр. 39-40.
40) Г. В. Плеханов. Соч., т. XX, стр. 121.
ism in Russia and the concept of pre-capitalistic society are both indispensable to understand the existing conditions of Russian society; in other words they are equally important. One makes clear the backwardness of Russian capitalism and the other determines the nature of Russian social development in relation to various patterns of society found elsewhere in the world; that Russia has many common features that many historically pre-capitalistic societies contained within themselves. The backwardness of Russian capitalism and the pre-capitalistic nature of Russian social development are two sides of the same coin. Thus when Russian capitalism grows mature, the semi-Asiatic character of Russian society will transform itself to a more modern pattern or to the type most appropriate to its capitalistic development. To be more specific, the transition of a natural economy to a money economy will bring about basic structural change in the patriarchal social order and will shake up conservatism in the rural area; this is Phase One of the transformation of Russian society. Phase Two is the proletarianization of the peasantry. It is not until this process is completed that the peasantry will emerge from its conservatism and assume an anti-governmental position. In Phase Three capitalism will be established on a firm foundation and the transformation of the traditional social structure will be complete. How successful the bourgeois revolution will be—whether it will establish a true constitutional government or not—depends upon the work of the proletariat; that is, whether they will act as an independent entity or will be subjected to the leadership of the bourgeoisie. Thus it is obvious that Plekhanov is not so much concerned with the types of capitalist development—whether Prussian type (favouring landowners) or American type (favouring the peasantry)—as the type of social development Russia then exhibited and would exhibit in future. This is the basic difference between Plekhanov and Lenin who developed an elaborate theory concerning the types of development of capitalism ("two paths theory").

Finally, we shall see how Plekhanov looked at the demand of the peasantry for the nationalization of land—whether this was a clever thing to do or not.

Since state ownership of the entire land is what characterizes Asiatic society, it is an imperative precondition for modernization of Russia that the peasantry should aspire to private ownership of land. According to Plekhanov, individual property ownership is the first step toward the "Europeanization" of Russia at its base. Contrary to this logical necessity, however, the Russian peasantry were demanding the confiscation of private land-property and expecting the land to be nationalized. This is a perplexing
problem but Plekhanov explains the reason thus: the essentially conservative thinking of the peasantry cannot be changed, because they have been under the yoke of absolutist control so long that they can never think in terms of social progress but only in terms of benevolence given by the state. This is a clear manifestation of the semi-Asiatic mental attitude of Russian peasantry and can never be changed, no matter how radical a step the agrarian movement may take. What Lenin thought to be one of the two possible paths for the bourgeois development of Russian society, namely, the American pattern or the pattern in which large landowner's possessions are confiscated and capitalization of agriculture is maintained by the initiative of the peasantry; this Plekhanov thinks a dangerous tendency leading back to the Asiatic state of things. And it is not hard to see why Plekhanov opposed so strongly the Populist positions, condemning them as reactionary and as leading to the restoration of the ancient social order.

In the First Russian Revolution the bourgeoisie not only failed to complete the task Plekhanov had assigned them; they also abandoned their revolutionary position and came to side with absolutism. It seemed imperative to Plekhanov to bring the bourgeoisie back to the revolutionary path, because a bourgeois revolution from which the bourgeoisie had retreated and in which the proletariat alone were active was inconceivable. And because Plekhanov thought cooperation between the bourgeoisie and the proletariat desirable and indispensable, he cautioned the proletariat—the socialists—not to scare away the moderate-thinking bourgeoisie. The scheme in which the proletariat would play an active, autonomous role had to be modified, and the attitude of the bourgeoisie would have to be constantly watched. Especially during the First Russian Revolution and after he feared that the Bolsheviks, i.e., Lenin and his followers, might in fact invite the movement to restore the old order by their too radical and violent tactics and by their excessive zeal might induce them to skip a historical stage. Understandably Plekhanov began to stay away from active participation in the revolution and spent more and more of his time in academic research. His research covered wide subjects ranging from philosophy to history, literature and art, one outcome of which was

41) Plekhanov’s views concerning the Party Program—which illustrated his position between 1900 and 1903 when he was engaged in the publication of Izra—may be seen in: “Commentary to the Draft of the Platform of the Russian Social Democratic Party” (1902); “The Proletariat and the Peasant” (1903). “The Speech at the Party Congress held in Stockholm” (1906) best characterizes Plekhanov at the time of the First Russian Revolution; this speech was quoted by Lenin in his “Agrarian Program......” (1907).

Fundamental Problems of Marxism (1908) and another was A History of Russian Social Thought, an unfinished work, some chapters only of which were published in three volumes in 1914-16.

Plekhanov was a self-appointed defender of orthodox Marxism, and he too, alongside with Lenin, opposed all attempts to revise Marxian doctrines.

That some fundamental differences existed between Plekhanov and Lenin cannot be denied. Their differences in interpretation with respect to the development of capitalism in Russia have been discussed. Looked at from another angle, Plekhanov lacked the kind of vision and insight which made Lenin the greatest theoretician of Marxism. Plekhanov also lacked the audacity to follow closely the reality of changing conditions of society and to incorporate their implications into his theory or attempt a synthesis of conflicting views. For example he pushed aside the revisionist view of E. Bernstein as a mistaken view and failed to see the fact that it was really a manifestation of capitalism in transformation. On the contrary, Lenin not only criticized revisionism but also developed a theory of imperialism which carried its own grounds to repudiate the revisionist view. From the vantage point of today we know that it (his theory of imperialism) is not without some weaknesses and we can discuss its limits and reservations; but this is beside the point. Anyway it was not the position of Plekhanov, but that of Bolshevism (Lenin) and of revisionism (Bernstein), that gained hegemony in their respective countries; Russia and Germany. It is ironical that Plekhanov's attempts to repudiate both Bernstein and Lenin as apostates from orthodox Marxism were only futile and that he lost his influence as a result of attacks from both sides.

42) See S. H. Baron, Plekhanov, 1963, Preface and Ch. 16. I think we can say that Plekhanov was a classical Marxist, in the sense that he was the most loyal follower of Engels. As a classical Marxist, he was Westernizer and believed that a socialist revolution would emerge at first in Western countries and then spread to Russia and other countries. As he had put his trust in German Social Democratic Party, he received a mighty shock from the betrayal of the German Social Democratic Party in voting in favour of the military budget at the outbreak of the First World War. He now stated with the French Marxist, J. Guesde, that Europe would be better off if and when Germany was defeated. He also abandoned his earlier internationalist position and drew away from the main stream of Menshevism. To be frank, there was a sudden transformation in Plekhanov's basic assumption; how could this be accounted for?

It is my view that his transformation was sudden and thorough, because it was a reaction against his earlier position which had ardently supported internationalism and which had so violently attacked the irrational nature of nationalistic concepts.

Plekhanov had paid some attention to the role of nationalism in history in his "Introduction to the History of Russian Social Thought" but he regarded himself as a rationalist who was above national prejudices. At the critical moment when his fatherland was threatened by foreign troops, this rationalism was revenged by national sentiment long oppressed in himself. He became an extreme nationalist when he found that his belief in proletarian internationalism had been betrayed by the recent turns of events. He still kept his double stage theory of revolution, but the world perspective that he had once boasted was lost to him forever.
The last topic we shall discuss in the present paper is the assessment of Plekhanov's role as a revolutionist and a critic. The issue to be decided is whether Plekhanov was completely overcome by history, or whether his assertions had any prophetic meaning in spite of all his failures.

Plekhanov was the founder of Russian Marxism, Lenin one of his disciples. This is a fact, but at the same time it cannot be denied that the disciple surpassed his mentor at least as a revolutionist. There is no doubt that Plekhanov was no match for Lenin as a revolutionist. Plekhanov was isolated and defeated by the course of revolutionary events. He held the double stage theory of revolution to the very last; maintained the position that a socialist revolution was still premature for Russia where capitalism had not yet fully developed; and urged caution in being watchful of the movement to restore the now ousted traditional social order. In short what he raises are some of the most fundamental problems inherent in a socialist revolution, which have appeared in Russia in a particularly sharp form because of the so-called paradox of its economic backwardness. Plekhanov failed as a revolutionist, but as a critic had and perhaps still has significance. This will be made even clearer when contrasted with what Lenin has done and has not done.

It will be recalled that Lenin was from beginning to end the leader of the Russian socialist revolution and that he had the kind of vision and imagination that an effective leader has to have. He understood how the revolution was being conducted and whither it was leading. In the "April Thesis" he made some basic changes in his theory. Lenin had, as above mentioned, proposed the double path theory of bourgeois revolution in the First Russian Revolution, which differed from Plekhanov's double stage theory, but which still presupposed a intervening period of capitalist development between bourgeois and proletarian revolution. Now in the "April Thesis" this intervening period was excluded, and the revolution

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Lenin's reply to the argument that "Russia has not yet gained the development level in industrial productivity where socialism is a possibility", was that the overthrow of the archaic social order must first be achieved, and it will bring about the increase in production and the progress in culture which were necessary for the achievement of socialist objectives. "You say", continued Lenin, "that it is necessary first to have sufficiently advanced culture before establishing socialism. Very well, indeed. Then I do not understand why you cannot agree with me in holding the view that ground must be laid for advancement of culture, which can be attained only by extirpating landowners and by extirpating capitalists. Begin building socialism in Russia after all these requirements have been fulfilled" (Cq., t. 33, cto. 459).

In Russia where eighty percent of the population were peasants and the peasant communes were as dominant a feature as ever——even as late as the 1920's their existence was a recognized fact——, it was not easy to carry out Lenin's plan. For example, there would have to be "primary socialist accumulation" in order to make planned economy a feasible policy. Stalin did bring some degree of success to it but only at considerable expense, especially in the process of collectivization of agriculture.
was conceived as continuous, or permanent\textsuperscript{44}. Thereby it is to be noted that Lenin did not contemplate one-state socialism. He expected uneven but successive revolutions in European countries, if not immediately worldwide; the Russian proletariat would fulfill their task of establishing socialism in cooperation with the supposedly victorious proletariat elsewhere in the West. But as one knows, this prospect turned out to be an illusion. The revolutions counted upon failed, and especially after the fall of German Revolution in 1923, hope almost disappeared. Lenin and his followers had to continue and complete the work once commenced, under extremly hostile conditions. After the October Revolution Lenin often stressed the backwardness of Russian society and the difficulties of the task. He stated; "Imperialism is the superstructure of capitalism. When it topples down, we will be faced not only with the collapse of the top layer but also with the exposure of the bottom layer"\textsuperscript{45}. And what he meant by the bottom layer is the patriarchal peasants living in the traditional communes. The revolution did wipe out czarism, and Russia remained a backward nation both economically and culturally. It is significant that Lenin titled his last paper "Quality Rather than Quantity"\textsuperscript{46}. The revolution achieved with the paradox of backwardness had to have a non unserious minus with it. The road to Stalinism was opened there. It must be admitted that Plekhanov's warning was not unfounded. What he had asserted indicated the problems which had to be solved after the revolution.

Note: The original of this paper appeared in Uchida Yoshihiko, et al. (eds.), \textit{Keizaigaku Koza} (Lectures on the History of Economic Thoughts), Vol. III, Tokyo, Yuhikaku, 1965. pp. 1-36, it was intended to give an outline and be a general introduction. For more specific treatment of the subject will be found in several papers I have written, some of which are cited in the present work. My book, \textit{A Study of Russian Economic Thought} (in Japanese), is in preparation and is to be published (May 1967) by Minerva Shobo, Kyoto.

\textsuperscript{44} There was an apparent jump from the double path theory and the "April Thesis". This was the reason why "old Bolsheviks" could not accept the latter so readily; they had believed in Lenin's earlier theory for so long and so ardenly that they could not adjust their thinking to the fact that their leader could have modified his view.

\textsuperscript{45} В. И. Ленин, Соч., т. 29, стр. 147.

\textsuperscript{46} Там же, т. 33, стр. 445.