
An Economic Interpretation of the Russian Revolution, 1917

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On 7 November 1917* the Bolsheviks overthrew the Russian Provisional Government and took state power. William Henry Chamberlin writes, "For the decisive spearhead . . . the Bolsheviks relied . . . on the class of city workers. . . . The wresting of Russia's industrial enterprises out of the hands of their owners was most positive and decisive, from the standpoint of the success of the Bolshevik Revolution." In contrast Edward Hallett Carr writes, "This process [economic dislocation] cannot be attributed exclusively, or mainly, to workers' control. It had been set in motion, long before the revolution, by such factors as shortage of raw materials, neglect of machinery and plant, and the general weariness and demoralization begotten of the war." The thesis of this paper proposes (1) that economic dislocation and attrition of the power of the industrialists in Russia during 1917 can be attributed mainly to workers' control; (2) that this erosion of the power base of the Provisional Government made the government vulnerable to the centralization and solidification of workers' control by the Bolsheviks.

*The date in Russia was 25 October. The New Style (Gregorian) calendar has been used throughout this paper except where both dates are given: 25 October, 7 November and except in the bibliography where use of the Old Style (Julian) calendar is more convenient.

INTRODUCTION

In 1917 Russia was essentially "a house divided against itself" and ripe for applying the military axiom of "divide and conquer." "Dual power" existed in the government between the Provisional Government and the Soviet of Workers' and Soldiers' Deputies, in the economy between management and labor, and in labor between the trade unions and the factory committees. As we shall see later, under the lead of V. I. Lenin the Bolsheviks penetrated the factory committees and became their political champion. As the committees were intent on workers' control, the Bolsheviks promoted the cause into what became a domestic economic war between management and the factory committees. Up until this time Russian industry had managed to sustain the demands of the World War, but what now followed was the destruction of the capitalist structure. While economic destruction took place, political revolution proceeded apace as the Bolsheviks took control first of the Workers' Section of the Petrograd Soviet of Workers' and Soldiers' Deputies and then dominated the Soviet. With this domination assured the Bolsheviks demanded "all power to the Soviet" and when this demand was coupled with the destruction of the capitalist structure, the Provisional Government fell to the Bolsheviks. The procedure of this paper is to describe the state of three basic industries, iron and steel, coal, and petroleum, during 1917 in relation to the activity of the Bolsheviks and factory committees.

THREE BASIC INDUSTRIES

The fuel of Russian industry in 1917 was coal and, to a lesser extent, petroleum. As the major coal producer in the Russian Empire, the Donetz Basin in the Ukraine produced 70.5% of the total Russian coal output. Coincidentally the Donetz mines alone produced the high-grade coal necessary for the iron and steel industry. While Donetz coal production increased from 1913 to 1916, output in 1917 declined almost to the 1913 level of production. A comparison of output levels for the years 1916 and 1917 shows that almost all of the decline took place during the last four months of 1917. Statistically, 3,440,000 fewer tons of coal were mined during the last four months of 1917 than were mined during the same period of 1916, while only 240,000 fewer tons were mined in the first eight months of 1917 as compared with the same period in 1916.¹

The chief oil center of the Russian Empire was Baku on the Caspian Sea. By 1913 Grozny in the Northern Caucasus and two fields near Baku were of significant importance. The production in petroleum in Russia increased yearly from 1914 through 1916 but fell in 1917 below the 1914 level by 22 million poods or 397,100 tons. The decline took place at Baku while production at Grozny increased over previous years. Though total yearly production at Baku was comparatively low, output for the first months of 1917 increased 16 million poods or 288,000 tons over the high-yield, war-year of 1916. If production for the remainder of the year had continued at the same pace, total production for 1917 would have been higher than any previous war year. Further, if petroleum production for 1917 is viewed relative to the production for the years between 1901, the year of Russia's peak output, and 1917, the oil production for 1917 does not appear unusual. Nevertheless, while production increased during the first half of 1917, production in oil fell during the second half of that year.²

Russia's major iron and steel centers during the World War were in the Urals, Central Russia, and South Russia. In 1917 the Ural and Central Russian blast furnaces sustained the level of previous war years for pig-iron production (the first step in steel-making), while production for South Russian blast furnaces declined. A comparison of 1916 and 1917 production figures for the pre-July 1917 period and the post-July 1917 period in South Russian pig-iron output shows a 16% decline in the pre-

July period and a 35% decline for the post-July period. Similar figures result when 1917 is compared with previous war years.

In the second stage of steel production, unrolled steel, all three centers declined in 1917. A comparison of the 1916 and 1917 outputs shows that unrolled steel production in the Urals declined 16%, in Central Russia 30%, and in South Russia 33%. As in the case of pig-iron production, the greater percentage of decline for unrolled steel took place in the post-July 1917 period.

The third stage of steel production, rolled steel, fell in all regions in 1917, significantly in Central Russia. A comparison of the 1917 and 1918 outputs shows that the production of rolled steel fell 27% in South Russia, 29% in the Urals, and 41.2% in Central Russia. As in the case of pig-iron output and rolled steel production, the greater percentage of decline in rolled steel output took place in the post-July period.⁴

The statistics for these three basic industries are definite: Russia experienced a damaging decline in production in 1917 in the post-July period, while the nation experienced no more than a moderate dip in the pre-July period. The cause of the declines is important. In all three industries the efficiency of the labor force was low. In the Donetz coal mines the number of workers between January 1915 and January 1917 increased 1.63 times while production decreased 34%. By August 1917 output per head had fallen 20% below the January 1917 level, 27% below that of August 1916, and 42% below that of January 1916. Similar labor conditions existed in the iron and steel and petroleum industries. The iron and steel industry was further hampered by insufficient supply of fuels and raw materials and inadequate transport of blast production to steel mills and unrolled steel to rolling mills. The petroleum industry experienced somewhat similar difficulties in transport and supply.⁵

While insufficient supply and inadequate transport can be ascribed to the railroads and part of the lowering of labor's efficiency can be assigned to the poor quality of the work force, in no way could these trends have produced the contrasting conditions of the pre- and post-July periods of 1917. Statistics show that the composition of the work force in these Russian industries did not change significantly from the pre-July to the post-July period, and the Russian railway system continued to deliver in approximately the same quantity in both periods. Further a detailed study of the iron and steel industry shows that no basic change took place in the composition and quantity of the ingredients that made up that industry between January and the time of the Bolshevik coup.⁶ We may now turn our attention to the growth of organized labor in 1917 and how it fought for the defense of its professional principles, the expropriation of the industrialists, and finally, for the dictatorship of the proletariat.

THE LABOR MOVEMENT

Labor's struggle was carried on through three channels: the Soviets, the trade unions, and the factory committees. The factory committees soon became the chief instrument of workers' control, the movement which eventually led to the nationalization of industrial undertakings. Like the Revolution itself, the factory committees were spontaneous and every industrial center in European Russia had them within a few days after the first stirrings of revolution in Petrograd. The worker felt a new sense of power and dreamed of a workers' paradise. The organization of factory workers into committees quite naturally became the vehicle to achieve utopian dreams. Employers were faced with demands for an 8-hour day, overtime pay, higher wages, and better working conditions and shortly with a demand for a role in the operation of the factories.⁷

In the beginning, workers' control was, to whatever degree, almost

totally concentrated in the State-owned enterprises, especially the metallurgical works. Here, the administration, composed of government officials, had abandoned the factories when the autocracy collapsed. In January 1917 over 60% of the workers in Petrograd were employed in the state metallurgical works.⁹ In these factories the most revolutionary and militant of the factory committees were organized.¹⁰ Within days after the February-March coup several of these committees attempted to form an inter-factory committee within the capital. The representatives of the workers' committees of the Naval and Artillery works in Petrograd called for the control of production early in March.¹¹ On 13,26 March representatives of the 12 largest metal plants under the Artillery Department, employing approximately 100,000 workers, called for workers' control over the activities of management.¹² Introductory measures for control were voiced first in the capital and much more slowly in other areas.¹³ Workers were hesitant, outside the capital, to form committees and were much more conservative until factory committees were legalized by the Provisional Government on 23 April, 6 May. After the April-May decree factory committees throughout the nation gained hope and dropped their hesitation. Most of them took a position somewhere between the Provisional Government's program and the extreme views of the Petrograd state-factory committees.¹⁴ The aims at first of the factory committees, viewed as a whole, were localized as the committees themselves were diffused. Usually "control" to these committees meant "joint determination" rather than "domination."

In the beginning the Bolsheviks played nothing more than a minor role in the actions of the factory committees. When Lenin returned to Russia in April 1917 he presented ten theses to the Russian people. The eighth thesis concerned industry and proposed control by the Soviets over the distribution and production of goods.¹⁵ Lenin was proposing dual authority of industrial control: Soviet and bourgeois management, which was much the same case as the "dual power" that existed between the Provisional Government and the Soviet. In the factories, however, the factory committees, not the Soviets, were the countervailing force. By early May, Lenin grasped this and sought to place in his organizational framework the committees rather than the Soviets as the key proletarian role.¹⁶

Even though production in Russia during April and May was at a favorable level, compared with previous war years, the demands for production were continually increasing, giving the appearance of a more severe crisis than was at hand. The industrialists and workers blamed one another for the economic depression. The factory owners asserted that the workers' demands were eating up their capital; the workers claimed that the industrialists were making huge profits.¹⁷ The workers set about introducing sharper controls; checked books, supplies, and goods. The administration resisted this and the workers retaliated. Approximately 80% of the demonstrations within the capital were for the removal of administration personnel. The worker was responding to his background. He had no union movement to look to and was more peasant than factory worker. As a result, he had little discipline and was prone to sporadic violence. This was especially true outside of the major cities and even here in the influx of peasants to fill factory jobs vacated by the mobilizations added to the peasant masses. At best the factory worker in 1917, except perhaps for the metallurgical worker, was half proletarian. Even Lenin admitted that the mass of workers and peasants were "... a hundred times more to the left than we are."¹⁸

The factory committees were syndicalist. As Anarcho-Syndicalists, however, they divorced themselves from politics and repudiated party organization. As a result this allowed a group, possessing views similar to Anarcho-Syndicalists and which had a party organization, to thrive on the syndicalist feelings of the proletariat, first in the factory committees, then the Soviets, and finally the trade unions.¹⁹ Lenin thus took up

the cry of the factory committees for workers' control and not the other way around.²⁰ Lenin, in fact, was weary of the masses but contented himself during the period prior to the Bolshevik coup d'état to be a follower of the forces to the left of the Bolsheviks. He thoroughly appreciated their destructive power and saw that the destruction was aimed at the capitalists.²¹ The Bolsheviks, for the most part, came to dominate only the factory committees in heavy industry and those in densely populated areas near the larger cities.²² Bolshevik penetration of the provincial committees did not come into full swing until autumn. Even as late as October the textile industry was only "heavily spotted" with Bolsheviks.²³

Penetration and control of each individual factory committee was not enough for the Bolsheviks; Lenin demanded centralization of all factory committees. Central organization had been foreshadowed in the meetings in March and April, but the 30 May, 12 June meeting of the First Petrograd Conference of Factory Committees was the first real attempt to do so. The trade unions and the Anarcho-Syndicalists opposed centralization, the former feeling that the committees should become units of the trade unions,²⁴ while the latter wanted confiscation, not control, and feared the loss of self-determination and of local initiative through centralization.²⁵ The Bolshevik view of centralization won out.²⁶

The main debate however, at the Petrograd conference, was not over centralization but over worker control of distribution and production. The Menshevik Minister of Labor, Skobelev, proposed, at the conference, state control of 'industry and the promotion of trade unionism. Lenin replied that the bourgeois administrators should remain in the factories but should share authority with the workers, with workers dominating in conflicting questions.²⁷ The Bolshevik view prevailed.

At first the trade unions accommodated the factory committees, but a rift developed between the two that progressively widened. The trade unions looked upon the factory committees as merely temporary until the workers could be organized into trades. The factory committees were willing to bend more than the trade unions, many feeling themselves not to be simply "temporary" organs, but rather permanent ones. This last view was held mainly by committees in Petrograd. The Conference of Odessa Factory Committees, for example in June 1917, voted to engage in labor agitation only with union approval.²⁸

When the factory committees moved toward centralization, they also moved from local issues and single factory issues to the greater issues of the nation. On 17 June, the Central Council of Petrograd Factory Committees called for the workers to demand transfer of state power to the Soviets.²⁹ Two weeks later the "July Days" (3-5, 16-18 July) forced the Bolsheviks underground and brought the factory committees and industrialists, as exclaimed by a speaker 7, 20 August at the Second Conference of Petrograd Factory Committees, to a state of warfare.³⁰ Employers asserted that they were forced to curtail production or close up shop because of workers' control and shortages of fuel and raw materials. The workers replied that the employers were resorting to lockouts, shutdowns, and large-scale dismissals. Both arguments had merit, but differences could not be reconciled.³¹ The employers, however, following the "July Days" rarely tried to undermine the factory committees; they did vigorously try to curb workers' control. They pointed out that the 23 April, 6 May decree of the Provisional Government had only legalized the committees and had not given them power to control production. In mid-July, therefore, the Petrograd Society of Manufacturers declared workers' control illegal.³²

Even with management and labor at odds, outright seizure of factories by the committees was only sporadic before the Bolshevik coup.³³

Widespread tactics such as dismissal of administrative personnel including engineers was quite common to the degree that workers found themselves incapable of operating enterprises which they had taken over.⁴⁴ What the committees were doing was smashing the "present order" in Russia and creating a vacuum into which Lenin could step with their unwitting support. Lenin privately stated at the time of the abortive "July Days," "Now it is possible to take power only by means of armed uprising, which will come not later than September or October. We must transfer our main attention to the factory committees. They must be the organs of uprising."⁴⁵ In actual practice this strategic role for the committees was not necessary as the process of expropriation of industrialists furthered the cause of the Bolsheviks and eroded the power base of the Provisional Government.

Three events occurred following the "July Days" to bring the workers in large numbers to the Bolsheviks. The great military ploy of the Provisional Government, the July offensive in Galicia, failed, and second, General L. G. Kornilov, led a rightwing revolt against the Provisional Government in August-September. Third, the Menshevik Minister of Labor, Skobelev, published two declarations, one the day before the Kornilov Affair, which reserved the hiring and firing of employees to employers and another circular, during the revolt, which limited factory committee conferences to nonworking hours.⁴⁶ The Provisional Government now became as counter-revolutionary, in the mind of the workers, as Kornilov and a failure as well.

By September 1917, "dual power" in factories was practically as dead as it was between the Provisional Government and the Petrograd Soviet, the latter by this time under the control of the Bolsheviks. The Provisional Government, however, never really held power in 1917 but merely exercised it in the name of other repositories of power. The process of taking power for the Bolsheviks was essentially a building up and a tearing down. As the factory committees, the Soviet, and the trade unions came under the control of the Bolsheviks, they built a power base. Tearing down came as the Provisional Government lost the support of the industrialists during the expropriation of industry and of the various socialist parties, as each party lost labor support to the Bolsheviks. The benevolent neutrality of the mutinous Russian Army and of the peasant masses was of the highest importance to the success of the city revolution of the workers. What began as a movement by the laboring masses fighting for their professional principles became a movement for the expropriation of the industrialists and finally resulted in the dictatorship of the proletariat. As early as 1905 Leon Trotsky had foreseen that workers' control would be the inevitable reaction of the proletariat.⁴⁷ Nikolai Ivanovich Bukharin wrote three years after the Revolution that the proletarian revolution must smash not only the political but the economic apparatus of capitalist society.⁴⁸ Lenin himself had stated before the Bolshevik coup that his aim was "to prepare for a crash and a revolution a thousand times more powerful than that of February."⁴⁹ On the first anniversary of the Bolshevik coup, Lenin stated to the Sixth Congress of Soviets that at the time he had promoted workers' control that he perfectly understood that its result would be "chaotic, shattering, primitive, incomplete."⁵⁰

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