Russian Liberal Visions of Agricultural Development at the Beginning of the Twentieth Century—Litoshenko and Brutzkus

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So far Russian political liberalism has been well studied, but very few studies have been devoted to Russian economic liberalism. I will throw light on the little known but very important visions of two economists, Litoshenko and Brutzkus. They were the outstanding representatives of Russian economic liberalism at the beginning of the twentieth century. They had great expectations for the growing class of independent farmers as the bearer of agricultural productive forces. Before the collectivization they were sure of the successful marketization of the Russian rural economy. But they also pointed out special difficulties for the marketization of Russian agriculture, i.e., the deep-rooted communal tradition and the Bolshevik socialist policy.

Keywords: Russian liberal economist, Russian peasant commune, Stolypin Reforms, NEP, socialist agricultural policy, market transition in Russia, collectivization

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Mots-clés : économistes libéraux russes, commune agricole russe, réformes de Stolypine, NEP, politique agricole socialiste, transition vers l’économie de marché en Russie, collectivisation

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If the term “utopia” is understood as the idea or vision of changing the society, it seems that there were at least three representative utopias in late Imperial Russia: Narodnik, Marxian, and liberal. Among these the liberal utopia or vision was not as influential as the first two in those days. Liberal thinkers and activists really belonged to the minority group in Russia’s intellectual world at the beginning of the twentieth century.

In the history of social and economic thought, “liberalism” in general denotes the thought and movement of reforms to build the social institutions based on individual freedom and initiative. Political liberalism advocates moderate social and political reforms such as the constitutional government and the parliament system. Economic liberalism advocates the institutional reforms such as the private property system in order to secure individual economic freedom and market system. So, by “liberal economist” I mean an economist who attaches great importance to economic freedom and market system under the rule of law.

In marked contrast to the beginning of the twentieth century, at the end of the century in Russia the liberal vision came to gain the upper hand. Marketization and privatization became the mainstream of economic thought, though liberal projects were currently facing a lot of difficulties. In this article, taking account of such difficulties, I will throw light on the little known but very important visions of two liberal economists, Litoshenko and Brutzkus, active at the beginning of the twentieth century.

Russia is generally thought to be a country of weak liberal tradition. But in fact, liberal movements have been observed from early times in this country. For example, the Imperial Free Economic Society was established in 1765, and greatly contributed to the free discussion of agricultural problems. The zemstvo1, introduced in 1864, functioned as the center of Russian liberal movement. Furthermore, in 1905 the most important liberal party, Kadet, was organized. Many influential economists joined in this party, and were socially very active. Their economic studies were passed down to the post-revolutionary period, particularly the New Economic Policy (NEP) period, when young liberal economists such as N. D. Kondratiev energetically studied agricultural markets and business cycles.

However, one interesting fact is that, when it came to arguing about the agrarian problem, most Russian liberal economists adopted a friendly attitude toward the traditional rural commune called obshchina. For example, a representative economist of the Kadet party, A. A. Chuprov, highly valued the adaptability of communes to Rus-

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1Zemstvo was the organization of district and provincial self-government, stimulating local initiative and activity.
sian agricultural development. Other leading liberal economists like A. A. Manuilov, A. A. Kaufman, and M. I. Tugan-Baranovskii also looked on the commune favorably. The liberal Kadet party itself attached greater importance to peasants’ right to life than to property rights, presenting an agricultural program, based on the working of communes (Fleischhauer, 1979, 173-201; Weber, 1989, 502-548). The liberal values of defending private property and market mechanisms are usually incompatible with the communal values of supporting the common use or holding of land. Therefore, it is a noteworthy phenomenon for many Russian liberal economists to be sympathetic to the traditional rural commune.

In such an intellectual milieu, there appeared to be two liberal economists who criticized the rural commune systematically in favor of privatization of land. These two writers, the outstanding representatives of economic liberalism in Russia at that time, were L. N. Litoshenko and B. D. Brutzkus. This study will focus on these two economists’ views of Russian agriculture and rural commune. How did Litoshenko and Brutzkus criticize the commune? What solutions did they propose to the Russian agrarian problem that was deeply connected to the traditional commune? How did they view the socialist agricultural policy of the Bolshevik government from the viewpoint of economic liberalism? These problems will be discussed below. While Russian political liberalism has been well studied, little research has been devoted to Russian economic liberalism in general, and liberal economists in particular. A study of Litoshenko and Brutzkus is therefore an important contribution to this field.

1. A Comparison on the Careers of Litoshenko and Brutzkus

Before examining their views, I will briefly look at a comparison on their careers, as they are hardly known outside of Russia.

Lev Nikolaevich Litoshenko (1886-1943) was born in a noble’s family in Kharkov, studied political economy at Moscow University, and

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3 In Russia, even liberal intellectuals were indifferent to property rights. See Crisp and Edmondson (1989, 13-32, 63).

4 For Litoshenko’s career, see Figurovskaia (1992, 4-11); Danilov (2001, 8-45). For Brutzkus’ career, see Kagan (1989, 9-35); Rogalina (1998, 13-40); Morioka (2012, 11-67). Morioka’s book is the newest and most comprehensive study on Brutzkus. The bibliography of Brutzkus compiled by Morioka and attached to his book is also the most comprehensive one ever published.
developed interest in agricultural markets. After studying abroad for two years, he began to teach at Moscow Commercial Institute.

After the revolution of 1905, the Stolypin agrarian reforms initiated in 1906. The reforms aimed to create a conservative bulwark of the regime by breaking the peasant commune and by establishing a class of strong, prosperous individual farmers on the privatized land. As a liberal economist, Litoshenko argued in favor of the Stolypin reforms and even participated in the administration of the reforms.

After the tsarist regime was overthrown by the revolution of March 1917, the Provisional Government was created. Litoshenko collaborated with this government as well. In November in 1917 the Bolsheviks seized power, but he remained in Russia, working in the Soviet state organization as a professional economist. In 1918 (at the age of 32) he began to work at the Central Statistic Bureau, the People’s Commissariat of Finance, and the People’s Commissariat of Agriculture as an influential expert. In these state organizations he led noteworthy economic projects such as the investigation of Russian peasant households, planning of the national economic balance, and estimation of the Russian national income. He also studied at Stanford University during 1926-1927 as a member of the American-Soviet joint research project. At the same time, he was also famous as a liberal critic of Chayanov and his school of thought. In 1930 Litoshenko was arrested together with Chayanov and his colleagues because of their unorthodox views, and in 1943 Litoshenko died in a labor camp.

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5 Litoshenko is now famous for the methodology of the national economic balance. For him peasant household was the germ form of economic balance, while national economy was its developed form. See Figurovskaia (1992, 9).

6 Litoshenko had special relations with the United States. After the revolution, he secretly wrote a very critical manuscript on Bolshevik agrarian policies, and gave it to the Stanford historian, Frank Golder, who was working for the American Relief Administration in Moscow in 1922. After returning home, Golder founded an institute for the study of the Russian Revolution at Stanford in 1925, inviting Litoshenko to the United States. Staying at Stanford in 1926-27, Litoshenko expanded his 1922 study with the assistance of the Berkeley economist, Lincoln Hutchinson in order to publish it in the Soviet Union. But publishing Litoshenko’s work became impossible because of Soviet political changes. As a result, two versions of Litoshenko’s work, i.e., the 1922 unsparing manuscript and the 1927 expanded and softened manuscript, have long been preserved in the Hoover Institution Archives at Stanford. In 2001 the first one was published in Russia with the title, “The Socialization of Land in Russia,” though the second one entitled “Agrarian Policy in Soviet Russia before the Adoption of the Five Year Plan” is still unpublished. The 1927 manuscript was planned to be published in the United States and the Soviet Union as a result of the American-Soviet joint project, so it has English and Russian versions in the Hoover Archives. I used the English version. See Patenaude (2001, 46-76); Hoover Institution Library and Archives: Lev Litoshenko (http://www.oac.cdlib.org/findaid/ark:/13030/kt60003474/entire_text/).
Boris Davidovich Brutzkus (1874-1938) was born in a Jewish home in a small city along the Baltic Sea, and studied agricultural economics at the Novo-Aleksandr Institute for Agriculture and Forestry. After graduation he joined in the Jewish Association of Settlement in St Petersburg, studying Russian Jewish economy. In 1907 he began to teach agricultural economics at the St Petersburg Institute for Agriculture, and defended the Stolypin reforms as Litoshenko did.

After the collapse of the tsarist power in 1917, Brutzkus became very active in the League for Agricultural Reforms, which was the nationwide organization of Russian agricultural economists, and was mainly led by Chayanov. After the Bolshevik Revolution he also remained in Russia, and openly criticized socialism and Bolshevik economic policies in 1920.

So, in 1922 (at the age of 48) Brutzkus was deported to Germany by the government. In Germany he became an important member of the Russian Scientific Institute which was organized by emigrant scholars in Berlin in 1923. There he was engaged in a critical study of the Soviet economy, and in 1935 he finally immigrated to Jerusalem, where he taught agricultural economics at the Hebrew University until his death in 1938.

As far as their careers are concerned, it seems that there are more differences than commonalities. First, there is 12-year difference in age (Litoshenko was born in 1886, Brutzkus in 1874), which was extremely significant in the turbulent Russian society of those days. Namely, Litoshenko belonged to the same age group as A. V. Chayanov (born in 1888), N. P. Makarov (1887), L. N. Īurovskii (1884), and S. A. Pervushin (1888). Several non-party economists who were active in early Soviet Russia came from this age group. On the other hand, Brutzkus belonged to the same age group as P. B. Struve (born in 1876), S. N. Bulgakov (1871), S. N. Prokopovich (1871), and B. D. Bilimovich (1876). Since they had already played great roles as intellectual leaders before 1917, they tended to fall into confrontations with the Bolshevik power after the revolution.

The second difference is related to their positions in Russia’s intellectual world. Litoshenko was born in a noble’s family, and studied at the “central” university in Russia. After the revolution he remained in Soviet Russia, and assumed key posts in central state organizations. In marked contrast to Litoshenko, Brutzkus was born in a Jewish home, and studied agricultural economics at a local university near Warsaw. After being deported in 1922, he studied the Soviet economy as an exiled scholar staying in Germany, and published not only academic articles, but also many reviews and comments on Soviet Russia for the general public for a living. He also made the study of the Jewish settlement in the border areas of the Russian Empire one of his life

\[\text{For Brutzkus’ view of the Soviet economy, see Kojima (2008, 123-140).}\]
works. So, it can be argued that Litoshenko was at the “center” of Russia’s intellectual world, whereas Brutzkus was at its “periphery.”

The third difference is their attitudes toward the “Organization Production School” of Russian agricultural economics. Litoshenko was the sharpest liberal critic of Chayanov and his school of thought (Nōu, 1967, 477), calling him “neo-Narodnik”⁸. On the other hand, Brutzkus was once so close to Chayanov as to be called a member of this school in a broad sense in terms of appreciating the peasant economy. But Brutzkus later became critical of Chayanov⁹. Besides, one of Brutzkus’ mentors, A. F. Fortunatov, in his student days was a famous agricultural statistician who later became Chayanov’s mentor at the Moscow University of Agriculture.

Despite these differences, however, the following three common points are to be noted. The first one is their strong defense of the Stolypin agrarian reforms. Defending the reforms was a sort of taboo among Russian intellectuals at that time. In fact, for example, Chayanov and Kondratiev barely touched on the reforms, consciously avoiding evaluation. The reforms had virtually little support even among liberal intellectuals. Under such conditions, it was exceptional that both Litoshenko and Brutzkus firmly defended the Stolypin reforms for creating individual private farmers.

The second common point is their systematic criticism of the rural commune and Narodnik mode of thought. As was well known, contemporary Russian farming was mainly run by the peasants belonging to the rural commune with periodic redistribution of land. Though the commune had been in the process of a long-term decline, it powerfully revived during the 1917 revolution, and survived until the collectivization of agriculture. Correspondingly to such rural realities in Russia, the Narodnik mode of thought had been influential in Russian rural studies for a long time. So, it became one of the main works for Litoshenko and Brutzkus to criticize such a mode of thought as well as the commune.

They criticized not only neo-Narodniks but also Bolsheviks. Thus, the systematic criticism of socialism and Bolshevik policies from the viewpoint of economic liberalism becomes their third common point (Litoshenko, 2001; Brutzkus, 1923b). Among the non-conformist economists remaining in Soviet Russia, there were not a few economists of non-socialist or even anti-socialist positions. But there were

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⁸ Arguing that the value on which Chayanov stood was the “working principle” and “ethical elements” in the peasant economy, Litoshenko pointed out Chayanov’s affinity with Narodniks, and called him and his colleagues “neo-Narodniks.” See Litoshenko (1923, 8).

⁹ For the change of Brutzkus’ standpoint, see Schirkovitsch (1928, 118); Ellison (1978, 475). Brutzkus later came to criticize Chayanov for his one-sided stress of family consumption in the peasant economy, finding in his discussion of agricultural policy the “spirit of narodnichestvo.” (Brutzkus, 1923a, 254-257).
very few who criticized the socialist economy so systematically as Litoshenko and Brutzkus did.

Moreover, Litoshenko and Brutzkus once belonged to the same team that conducted research on the “principle of the socialist economy and its criticism” at the Moscow Research Institute of Agricultural Economy (Chayanov, 1922, 116). Both of them were also important contributors to the liberal journal, *Economist*, that was banned by the Bolshevik government in 1922. Moreover, they commonly regarded War Communism not as a special wartime controlled economy due to the civil war, but as a trial of socialism itself. For example, Litoshenko discussed in 1922 that “Russian trial” had to be taken seriously in terms of “the most theoretical foundation of socialism” (Litoshenko, 2001, 95). Brutzkus also called War Communism a “socialist experiment,” and found there Marxian economic doctrine in a fairly pure form (Brutzkus, 1923b, 31). Hence, it might be argued that Litoshenko’s manuscript in 1922, “Socialization of Land in Russia” (Litoshenko, 2001) was the agrarian version of Brutzkus’ systematic criticism of socialism in 1920, which was later published as a book, *Socialist Economy* (Brutzkus, 1923b).

From the three points mentioned above, it could be argued that Litoshenko and Brutzkus were scholars who expressed the position of economic liberalism most clearly and openly in Russia in those days.

2. Litoshenko’s View of Russian Agriculture

There are two “souls” or “principles” in the peasant economy. One is the “consumer’s soul” or “spontaneous and organic principle,” and the other is the “soul of the manager and entrepreneur” or the “rational and economic principle.” These two struggle with each other within the peasant. This was Litoshenko’s basic recognition (Litoshenko, 1923, 35-38; Schirkovitsch, 1928, 121; Ellison, 1978, 478-479). According to him, the “consumer’s soul” is the peasants’ intention to satisfy the fixed demand of family’s consumption. Peasants as consumers presume land allocation as a natural matter. On the other hand, the “soul of the manager” is the intention to “get the maximum result with the minimum cost.” Peasants as managers purchase land and livestock for pursuing wealth. Therefore, in terms of the “acquisitive economy,” the peasant economy is not different from the usual enterprise at all.10

Discussing thus, Litoshenko criticized Chayanov and his school, and argued that they viewed only the “consumer’s soul” in peasants, never noticing the fact that the “natural tendency” of peasant differ-

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10 Chayanov thought the peasant economy to be non-capitalist because of the lack of employed labor. But Litoshenko identified the entrepreneurial peasant farm with the capitalist enterprise because of the profit-making spirit. See Litoshenko (1995, 139-141); Danilov (2001, 31-34).
entiation caused diversifying demands. Chayanov’s theory “did not at all recognize the real general trend of rural evolution or the psychology of the more progressive elements among the peasantry” (Litoshenko and Hutchinson, 1927, 305).

Despite such a sharp criticism of Chayanov, however, Litoshenko also recognized the fact that the “consumer’s soul” had been dominant in Russian peasants the whole time\(^{11}\). In his view, it was the rural commune that had been raising peasants’ “consumer’s soul”, so he came to criticize the commune.

### 2.1 Criticism of the Commune

In Litoshenko’s opinion, the commune caused two major evils. One was the “repression of private initiatives” (Litoshenko and Hutchinson, 1927, 86). The possibility of a periodic redistribution of land deprived peasants of the incentive to land improvement and investment. He argued that the commune pursuing “the absolute equality of land possession” did not permit “diligent” peasants to make their own personal cultivation plans.

According to Litoshenko, however, further evil caused by the commune was the promotion of population increase. He explained that the individual farmer cultivated land “with his own risk and responsibility” (Litoshenko and Hutchinson, 1927, 83), trying to restrain an increase of family members in order to maintain the living standard. On the other hand, he argued that the communal peasant, if family members increased, could expect to get more land allotment in the next redistribution, so the peasant had a strong incentive to increase family members without any concern about the future outcome of population growth in the whole farm village.

In a nutshell, “individual and collective ownership of land imply totally different social psychologies” (Litoshenko and Hutchinson, 1927, 84). “The communal peasant expects the support from mir in place of the individual initiative and responsibility” (Litoshenko and Hutchinson, 1927, 87; Litoshenko, 2001, 119). Therefore, the communal system of land-redistribution tends to increase population. Remarkable population increase was actually seen in the regions where communal land redistribution was active (Litoshenko, 1923, 38-39; Litoshenko, 2001, 117). Thus, such a mechanism of Russian rural society “ruins the more progressive group among peasants and strengthens the evil of overpopulation”\(^{12}\). But, why is population increase so

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\(^{11}\) Litoshenko explained the diffusion of Chayanov’s theory in Russia by way of the increasing self-sufficiency of the peasant economy after the revolution. See Litoshenko (2001, 432).

\(^{12}\) Litoshenko regarded rural overpopulation as the agrarian crisis or the “basic difficulty of the Russian rural economy.” See Litoshenko and Hutchinson (1927, 72, 591); Litoshenko (2001, 104).
problematic for Litoshenko? He further explains the “evil of over-population” as follows.

According to Litoshenko, the commune works as a “system of peculiar unemployment insurance” (Litoshenko, 2001, 116), namely, the commune gives life security to each peasant family through land allotment. This leads to an increase of peasant family members. This increase stimulates the division of the household, and eventually causes an increasing number of farms as well as a reduction of each farm size. The result is the labor intensification of farming, which brings about an increase of total products through the rise in land productivity. But the increase of products is consumed by the growing population, and does not lead to an increase in net production. As a result, the leveling of the peasant economy and a general decline of living standards, in short, the equalization of poverty is brought about (Litoshenko, 1923, 41-43). This means the shrinking of the rural market for industrial products. It greatly obstructs industrial development.

Such a weak industrial development can produce only a few employment opportunities to rural populations, so the growing rural population condenses “to an extraordinary extent” (Litoshenko and Hutchinson, 1927, 84) in the farm village. The peasants’ demand for land allotment grows all the more for this reason. On the other hand, peasants trying to escape from the predicament of population pressure proceed to lease and purchase more and more land from landowners through intensifying family labor. Thus, landowners’ land was gradually transferred to the hand of peasants (Litoshenko, 1913, 185-207).

The above was the mechanism of the Russian agrarian crisis as depicted by Litoshenko. He referred to such a path as a “blind evolution” or the “Narodnik path”\textsuperscript{13}. In his view, Russia will be transformed into a “peasant empire,” or a “colossal peasant state,” if she proceeds on this path. To use Litoshenko’s words, it is none other than the “destiny of China”\textsuperscript{14}.

\textsuperscript{13} Litoshenko argued that “Narodnik theory” correctly grasped such a mechanism of evolution. See Litoshenko (1923, 39). For the neo-Narodnik model of Russian agricultural evolution, see Kojima (1987; 1988).
\textsuperscript{14} Litoshenko (1923, 46). See Litoshenko (1913, 206-207); Ellison (1978, 478-479). Brutzkus also argued in 1918 that the socialization of land might make Russia a “country like China.” See Brutzkus (1918b, 45). A Japanese historian, E. Hizen, compared the pre-modern rural structures of Germany and Russia, and particularly noted the above-mentioned land and demographic systems of Russian rural communes, arguing that the Russian pattern of peasant society was similar to the Asian pattern. See Hizen (1986); Kojima (2010, 357-359). In Japanese studies of Russian history, mainly in connection with the “communal” character of Japanese social organizations, much attention has been paid to the problems of Russian rural communes. See Hizen, Suzuki and Kojima (1985, 553-555).
2.2 Evaluation of the Stolypin Reforms

Litoshenko perceived the possibility of another path in Russian agricultural development. According to him, in the regions where communal land redistribution disappeared, peasant differentiation occurred and a group of large farmers with a “soul of entrepreneur” was born. The increasing purchase of industrial products by such farmers, i.e., the expanding domestic market, led to industrial development, which in turn enabled more industrial employment of rural populations. Abolition of the commune, therefore, becomes necessary by any means in order to end the vicious circle mentioned above. He wrote, “the abolition of the commune was the necessary precondition for people’s free economic activity” (Litoshenko and Hutchinson, 1927, 98). It was the Stolypin agrarian reforms that essentially created such a “precondition.” While fully admitting the political and social risk of the reforms enforcing the dissolution of traditional rural communes, he argued that the reforms brought about economic progress. Referring to the concentration of land to excellent farmers, developing cooperatives, expanding domestic cereals markets, and increasing exports of agricultural products, Litoshenko stressed that the Stolypin reforms “met with sweeping success” (Litoshenko and Hutchinson, 1927, 100. See Litoshenko 1923, 123-129). After the reforms, Russia “entered the path of economic progress beyond any shadow of a doubt” 15.

Russia’s entry into World War I, Litoshenko discussed, also strengthened the upper layer of farms through economic differentiation, and promoted the employment of surplus labor power as well as the demand for foods, eventually leading to an increasing demand for industrial products. Therefore, according to him, “in agriculture, the war merely stimulated and strengthened the progressive path that had been already seen in the pre-war period” (Litoshenko, 2001, 161). He wrote that both reforms and the war spurred the “manager’s soul” within peasants to propel them in the direction of “progress.”

2.3 The Revolution and After

But the revolution of 1917, Litoshenko wrote, suddenly reversed the process of “progress.” After the state collapse, desperately poor peasants began to appropriate landowners’ land on their own. This rural revolution, in particular, leveled the farm scale and the farmer’s income, bringing about the self-sufficiency farming as well as a decline in the consumption level. Furthermore, War Communism of the Bolshevik government began in 1918. The government forcibly requisitioned provisions to distribute to urban consumers. This policy led to

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15 Litoshenko (2001, 147). For Litoshenko, the Stolypin reforms were “wagers on progress” in a sense, rather than the “wagers on the strong.”
a marked decrease of the cereals surplus. The emerging class of large and prosperous farmers in the pre-war period became extinct by the attacks from not only below (the rural revolution by poor peasants), but also above (the requisition policy of the Bolshevik government). To use his words, “a uniform standard of poverty replaced social differentiation” (Litoshenko and Hutchinson, 1927, 309).

Litoshenko described the Russian peasant economy as having returned to that of “fifty years ago.” For Russia, which had by now become the “poorest country in the world,” the “only proper economic policy” was not equal distribution, but the “encouragement of production and accumulation.” “We have to experience the period of primitive accumulation of capital once again.” The Russian economy fell into “physiocratic” conditions, and all wealth and industry came to depend on agricultural “net products.” Peasants became “almost the only tax payer,” and the production of net products, i.e., the cereals surplus, must be the utmost priority. Such was Litoshenko’s grasp of the Russian reality just after the revolution (Litoshenko, 2001, 515, 521, 523).

In 1921 the New Economic Policy (NEP) began. It was the partial introduction of market elements into the Soviet economy for its recovery. Litoshenko favorably received the new framework of NEP, which he called a “peculiar system of regulated ‘state capitalism’” (Litoshenko, 2001, 522). He argued that the scale of the rural market was decisively important for Russia’s national economy. The scale of rural market was determined by the peasants’ purchasing power, which was in turn dependent upon the amount of cereals surplus. So, in his opinion, in order to increase the number of large farmers capable of producing large quantities of cereals surplus, i.e., agricultural products for market, the land mobilization, establishment of property rights, a tax reduction, freedom of business, and so on were indispensable. Litoshenko called these the “basic lines of the effective program for economic reconstruction”.

In 1925, when economic liberalization most pro-

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16 Litoshenko’s argument that the rural market for industrial products shrank to one-seventh after the revolution provoked a controversy among Soviet economists. See Uegaki (1981, 69).
17 Litoshenko (2001, 519). According to Litoshenko, the peasant per capita income was much lower than that of urban residents, and the exchange ratio of agricultural to manufactured goods was unfavorable to the peasantry. So, he argued that raising the peasants’ purchasing power by letting agricultural prices rise would expand the domestic market of industrial goods. Litoshenko advocated the priority development of agriculture as a non-party economist. His argument influenced Bukharin’s theory in the industrialization debate of the communist party at that time. See Litoshenko (1925b, 49-57); Litoshenko (1928, 92); Uegaki (1981, 70). Brutzkus also argued the low relative price of agricultural products in the 1920s. See Morioka (2012, 270-271).
gressed in Soviet Russia, “all organization of peasant economy was under the influence of price and market relations” (Litoshenko, 1925a, 40). He wrote that the level of marketization was gradually approaching that of the pre-war level.

Only two years later, however, Litoshenko came to criticize the government for adopting the contradictory policy of suppressing large farmers to reduce the economic differentials in the rural population, while expecting the industrial development to rely on the cereals surplus (Litoshenko and Hutchinson, 1927, 588-592). Such a policy only created “a kind of small peasant mentality,” and could not go on in the future. Therefore, Litoshenko wrote that the agricultural policy, if it aimed for economic growth, definitely had to be matched to the “natural tendency” of peasant differentiation taking place at that time.

3. Brutzkus’ View of Russian Agriculture

Peasants’ poverty primarily comes from the so-called land shortage. The core of the Russian agrarian problem is in this land shortage. So, the problem will be fundamentally solved by expropriating landowners’ land and by “rightly” allocating it to peasants. According to Brutzkus, this was the dominant view in Russia in those days. Referring to the following three facts, he criticized this view (Brutzkus, 1922b, 13, 17-18; 1925b, 60-62).

First, though the western and middle European peasants have less farmland than Russian peasants, a land shortage was hardly seen in these areas. Second, among the state peasants that were about half of all Russian peasants, almost all farmland had been allotted, but the land shortage occurred even there. Third, most of the landowners’ land had already been transferred to the hands of peasants through land sales or leases. Brutzkus concluded, therefore, that the agrarian problem could not be solved by the expropriation of landowners’ land.

Brutzkus went on to discuss that the concept of the land shortage was implicitly based on the “idea of natural economy” that self-sufficient family farming was the ideal life for Russian peasants (Brutzkus, 1917a, 7; 1923c, 276). According to this idea, a growing peasant population requires additional foods, which needs additional land allotment for production. Therefore, the peasants’ revolutionary concept of the “right to land” is the result of such an “idea of natural economy,” and the very system guaranteeing this right is the com-

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18 See Brutzkus (1917a, 7-8); Brutzkus (1922b, 13); Brutzkus (1925b, 59); Brutzkus (1934c, 477). The Kadet economists also had the same opinion. See Fleischhauer (1979, 176).
mune. By discussing thus, Brutzkus entered the critical examination of the commune.

3.1 Criticism of the Commune

Explaining the historical background of the formation and survival of communes up to the twentieth century in Russia, Brutzkus emphasized the harmful influences that communes exerted on economic development. What he regarded as the harmful influences were the obstruction of growing private initiatives, defects in farming technology, and the demographic ill effect of the commune. Among them, he attached the greatest importance to the last one, arguing as follows (Brutzkus, 1917a, 26; 1917b, 25; 1922b, 20, 22, 34; 1924, 305; 1934a, 78).

The communal peasants have no worry about increasing the number of family members, since land redistribution will be scheduled in the near future. Moreover, a large family will receive more land, so having many children would be more favorable. Thus, the commune provides the peasants with a “fantasy” of solving the population problem from a viewpoint of the micro-private economy. From a viewpoint of the macro-national economy, however, the commune works in the direction of bringing about large-scale overpopulation.

So, Brutzkus discussed the commune as being inseparable from the “idea of natural economy,” and causing the land shortage as well as the subdivision of farmland.

3.2 Industrialization and Marketization

Where is the exit from such a “dead end” (Brutzkus, 1934a, 79)? Brutzkus found it in the “deepening of the national economy” (Brutzkus, 1917b, 30; 1918b, 40; 1925, 59, 64). According to him, the conditions that look like a “land shortage” from the viewpoint of natural economy, can be seen, when looking from the viewpoint of national economy, as overpopulation due to very little employment in the industrial sector (Brutzkus 1917a, 8; 1917b, 18; 1922b, 16). In other words, the nature of the Russian agrarian crisis is the problem of rural overpopulation arising from the underdeveloped national economy. So, in order to eliminate rural overpopulation, he proposed to promote occupational differentiation, i.e., peasant separation from land through promoting industrialization and developing a market economy (Brutzkus 1917b, 22; 1922b, 33). Industrial development would bring a great deal of demand for labor force and agricultural products, transforming Russian agriculture to the more adaptive one to a market economy. Such was the long-term view of Brutzkus.
3.3 Independent Farmers

Brutzkus regarded the independent farmer on private land as the main actor of such agriculture. After having investigated the strong competitive power of German private farmers, he explained the following factors as the advantage of private farmers compared to capitalist farms (Brutzkus 1914, 82-87; 1917b, 12-15).

(1) Independent private farmers can allocate their family labor very flexibly according to the changing farm conditions. (2) Private farmers have a strong incentive to work, so they can attain a high level of labor intensity and land productivity. (3) The merit of large mechanized management is not so remarkable in agriculture as is in industry. (4) Cooperatives and “social agricultural support” are available to private farmers.

In comparison to communal peasants, Brutzkus argued that the long-term land use was secured among private farmers, and that private land was free from compulsory crop rotation. What he took more seriously than these, however, was the private farmers’ control of population. In Brutzkus’ opinion, the private farmer without free land allotment has to be always conscious of the balance between land and family population. That works as a certain kind of control of the population (Brutzkus 1917a, 26-27; 1917b, 23; 1922b, 20, 34). As far as the undivided and sole inheritance of land is imposed by law, the private farming system stimulates the exit from farming, supplying the labor force necessary to industrialization.

3.4 Defense of the Stolypin Reforms

Brutzkus thus came to call the independent private farmer the “extremely completed organization in agricultural production” (Brutzkus, 1914, 82-87). Therefore, it was very natural for him to take a firm stand for the Stolypin reforms. Despite the fact that most intellectuals were opposed to the reforms in those days as stated above, Brutzkus strongly defended the reforms for the following reasons (Brutzkus, 1917a, 4; 1917b, 24; 1918a, 64; 1923c, 30; 1925b, 64-65,67; 1930, 149; 1934a, 82; 1934b, 477).

According to Brutzkus, Russian intellectuals, politically having committed to fighting against tsarism, could not see the reforms from the economic viewpoint, and such a political “bias” disturbed the clear recognition of the problem. But the criterion for evaluating the reforms was whether they corresponded to the development of Russian national economy. Although the reforms were initiated from a political decision, they were actually suitable to economic development. For example, large farms left from the commune produced the agricultural surplus and the domestic market for industrial products. Indeed the reforms had defects such as “police-like crudeness,” but
they started based on the precondition of the autonomous growth of a market economy before the reforms such as the privatization tendency of allotted lands.

Discussing thus, Brutzkus insisted that the reforms really stimulated farmers’ energies and increased the number of peasants exiting from the commune for a short time. “The result of the reforms was beyond any expectation” (Brutzkus, 1934a, 80). So, even just after the collapse of tsarism in 1917, he continued to maintain that the Stolypin projects were to be continued in the “democratic mind” (Brutzkus, 1917a, 21).

3.5 The Revolution and NEP

Despite the fact that the peasant revolution greatly intensified from 1917 to 1918, Brutzkus went on arguing against the expropriation and division of landowners’ land from the standpoint of the “basic interest of the national economy” (Brutzkus, 1917a, 15), stating that the peasant revolution would cause economic catastrophe. To use his words, the “most dangerous mine” of the commune exploded, and “the Russian national economy came to ruins” (Brutzkus, 1925b, 69).

The transition to the natural economy of farming and the general leveling of farms proceeded. Brutzkus’ opinion was that the collapse of Russian agriculture due to the peasant revolution and to the Bolshevik policy of War Communism, which he regarded as the “trial of socialism”, brought about the great famine in 1921 and 1922 (Brutzkus, 1922a, 23; 1934b, 665; 1995, 16). He thought it was learning from the failure of both commune and socialism that greatly transformed the course of Russia’s development in 1921 (Brutzkus, 1925a, 247; 1925b, 70; 1928, 640).

Brutzkus forecast the restoration of the market economy, and argued that NEP would bring a re-expansion of peasant farming, which would in turn strongly push the marketization of Russian agriculture. His liberal optimistic view in the early NEP period was based upon such an understanding of the actual conditions.

Moreover, Brutzkus went on to argue that the urgent problem was not equal distribution but production, so if the latter was disregarded, then the people would starve to death “equally.” Now that the peasant economy became the only strong production base on which the whole system was “parasitic,” even the Bolshevik government would not destroy this bearer of productive forces. Therefore, Bolsheviks would not be able to suspend the line of NEP. Brutzkus’ hope for the success of NEP was so great that he came to write in 1924 that Russia’s “development of a free economy” would not be stopped in the long run (Brutzkus, 1924, 343; 1927, 437).
4. Difficulty of the Market Transition in Russia

From the above examination, it could be argued that Litoshenko and Brutzkus had a common recognition of some basic points. First, they paid attention to the causal link between the commune and rural overpopulation, considering the abolition of communes and the peasant differentiation to be absolutely necessary. Second, they took the development of economic incentive and entrepreneurship for peasants seriously. Third, they presented a solution to the agrarian problem from the viewpoint of the national economy, i.e., by developing a market link between agriculture and industry. Fourth, they regarded War Communism as a trial of socialism itself, finding out the decline of economic calculation and incentives there. Fifth, they hoped that the liberal reforms of the Russian economy would spur economic growth. Such are the main common points of both economists.

Contrary to their liberal expectations, however, Russia’s two trials of market transition in their lifetimes, i.e., the Stolypin reforms and NEP, were met with setbacks. That means their liberal visions were not realized. So, changing our approach a little, I will next examine how they explained the difficulty of Russia’s market transition. What prevented the pro-market development of Russian agriculture was the peasant revolution and collectivization, so the next issue becomes how they grasped their origins.

In the first place, I will examine Litoshenko’s view. His basic evaluation of the Stolypin reforms was that it attained “sweeping success,” but he also stated the following in 1922 (Litoshenko, 2001, 169).

The peasant differentiation and the growing inequality among peasants due to the abolition of traditional communes couldn’t calm the peasants’ discontent. The “accumulation of discontent” proceeded. This “accumulation of combustibles could really progress more rapidly than the reinforcement of property rights and the attachment to law order.” Moreover, World War I greatly changed the “mood” of peasant-soldiers, and “diffused the consciousness of dis-

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19 But there are also some differences in their economic thoughts. First, Brutzkus had a historical and institutional viewpoint as stated later, and he admitted the political designing of market institutions, rejecting the laissez-faire system. See Morioka (2012, 392). Litoshenko was more theory-oriented and more of a market fundamentalist. Therefore, V.P.Danilov wrote that Litoshenko had been a man of “ideological thoroughness and ‘fortitude’” equal to Bolsheviks (Danilov, 2001, 20). Litoshenko’s thorough criticism of Marx is seen in his recently published manuscript (Litoshenko, 2008, 98-122). Second, as far as the view of the peasant economy was concerned, Brutzkus stressed its peculiarity and advantage, but Litoshenko tended to focus on its homogeneity with the capitalist enterprise. See Rogalina (1995, 123).

20 N.D.Kondratiev also shared the second, third and fifth points mentioned above in his view of Russian agricultural development. See Barnett (1998); Kojima (2002; 2004).
content.” Literally “the World War poured oil on the fire.” Such “strained conditions inside the farm villages” created the favorable soil for the revolutionary movement.

Arguing thus, Litoshenko claimed that the Stolypin reforms and World War I politically and socially increased peasants’ discontent, though they promoted Russia’s economic development. He later wrote that the Stolypin reforms were “dangerous wagers” as well.

On the other hand, Litoshenko’s view of collectivization is not known today. But we do know from his unpublished manuscript that he had a liberal optimistic outlook even in 1927. In its concluding part, referring to the Bolshevik “formula” of agricultural socialization and its state planning, he wrote, “The near future will probably determine whether further economic progress is possible on the basis of such a formula or the formula itself radically modified by the logic of events” (Litoshenko and Hutchinson, 1927, 593). Since Litoshenko consistently insisted that the agricultural socialization was extremely difficult (Litoshenko, 2001, 83-84), obviously he thought the socialist agricultural policy would be “radically modified by the logic of events” and eventually marketization would progress21. So the real result of collectivization was quite contrary to his expectation.

I will examine Brutzkus’ view of the same above-mentioned problem next. Unlike Litoshenko, Brutzkus was living abroad, and could continue to observe the changes taking place in Russia until 1938, and he could express his own opinion quite freely. Moreover, he had an approach of understanding Russia’s market transition in the context of Russian history as well, and this approach made his discussion more complex and pluralistic.

As for the causes of the failure of the Stolypin reforms, Brutzkus retrospectively argued that the peasant revolution was the “direct outcome of the World War.” The war broke Russian society, leading to the collapse of state power. The peasants, never missing a chance, spontaneously proceeded with their own revolution, namely, they plundered the private land including landowners’ land, and redistributed it in the rural commune. It is for this reason that the outcome of World War I was extremely catastrophic in Russia (Brutzkus, 1925a, 137; 1934a, 62-63). So, in his opinion, the peasant revolution swept away the results of the Stolypin reforms.

Brutzkus went on to argue that the Russian peasant revolution had historical roots (Brutzkus, 1924, 302; 1925a, 137, 245; 1932, 221; 1934a, 65, 80). Unlike European peasants, “Russian peasants had no training in the concept of private property.” In the power vacuum just after the state collapsed in 1917, “the tide deeply rooted in Russian history,” and “the stream which erupted from the depth of Russian histo-

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21 Taking the censor into consideration, Litoshenko wrote in 1927, “it is not yet time to form a final judgment on the Soviet economic system.” (Litoshenko and Hutchinson, 1927, 70)
ry,” i.e., the movement for total land redistribution that “hid in the peasant mentality” came to the fore (Brutzkus, 1924, 247, 249; 1934a, 62-63). Therefore, the peasant revolution of 1917-18 was very similar to the peasant revolt in the 17th century.

Stated above is Brutzkus’ explanation of the historical background of the failure of the Stolypin reforms. As far as collectivization was concerned, Brutzkus regarded it as the “second trial of socialist construction” forced by the state power against the peasants’ will. Criticizing German scholars such as R. v. Ungern-Sternberg, who explained collectivization directly from the ‘collectivist’ tradition of Russian peasantry (Ungern-Sternberg and Brutzkus, 1930, 50-51; Brutzkus 1932, 218-220; 1933b, 466), Brutzkus emphasized the compulsory character of collectivization, calling it “the greatest misfortune” for the peasants (Brutzkus 1933a, 415, 432; 1935, 154).

So, Brutzkus retrospectively explained the failure of the Stolypin reforms, mainly from the “immaturity of landownership” among Russian peasants (Brutzkus, 1932, 221), while explaining the setback of the NEP peasant farming from the forced collectivization against the peasants’ will.

5. Concluding Remarks
As seen above, Litoshenko and Brutzkus had great expectations for the growing independent farmers as the bearer of agricultural productive forces. Up to the collectivization both were sure of the successful marketization of the Russian rural economy. In their arguments in the early NEP period, in particular, we can find their liberal optimistic vision that Russia will also proceed on the path of a “general,” “natural,” and “sound” economic development. Judging from several remarks in their writings, it seems certain that such conviction and optimism came from their liberal value of free economic initiatives and from their firm belief in the efficiency and rationality of market mechanisms.

At the same time, however, Litoshenko and Brutzkus also pointed out specific difficulties for the marketization of Russian agriculture.

22 Thinking of Lenin who “set free all elemental anarchistic powers of Russian people,” Brutzkus wrote, “A victorious successor of Stenka Razin had conquered the empire of the Tzars after 250 years” (Brutzkus, 1924, 302; 1934a, 99). It is clear that Brutzkus watched the whole process of reforms and revolutions in the historical context of “the struggle between the principle of private property and the principle of redistributive communes”. According to him, “the final goal of the reform of 1861, to make the peasants into free landowners, was completely dropped” by the government at the end of the 19th century (Brutzkus, 1934a, 78). So, in Brutzkus’ view, it was not so difficult that “after the overthrow of the tsarist power the surviving ideas of the redistributive commune and of a self-sufficient agriculture came to dominate the mind of the peasants again” (Brutzkus, 1934a, 82).
One is the deep-rooted communal tradition. The peasants’ view of land as seen in the periodic land redistribution was incompatible with modern property rights. In crisis, the strong “consumers’ soul” of peasants often tended to orient Russian agriculture toward subsistence farming, based upon family labor on communal land\(^23\).

Another difficulty that they pointed out was the Bolshevik socialist policy. They shared the recognition that the “trial of socialism” was underway in Russia, and that Russia herself provided the favorable stage for this experiment (Litoshenko, 2001, 89; Brutzkus, 1923c, 31). On the other hand, however, they thought that the socialist system had no economic rationality. Therefore, economic collapse after the failure of the socialist experiment and an eventual fundamental change of economic policy was the scenario that they depicted.

Accordingly, they could not have imagined that the Soviet system could really last for such a long time, about half a century after their deaths. How to explain this historical reality of the long-term existence of the socialist system is, therefore, one fundamental problem presented to the economists with liberal visions. So is the problem that troubled Litoshenko and Brutzkus, i.e., how to change people’s economic culture that was formed over a long historical process in Russia\(^24\).

References


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\(^23\) According to a Japanese specialist of Soviet history, H. Okuda, the peasant exploitation by the Bolshevik power during collectivization drove peasants to the traditional mode of life to survive. See Okuda (2008). It is very paradoxical that the “construction of socialism” led to the reinforcement of the traditional communal order among the peasants.

\(^24\) For the discussion on Russia’s economic culture in the market transition, see Zweynert (2002, 415-427).


