

tion had been rather peculiarly constituted. "We" had, on the one side, a primitive system of fragmentary, disorganized, small scale production, on the other, gigantic undertakings which frequently employed 15,000 to 20,000 laborers and employees. After the Revolution the concentration of capital advanced in leaps and bounds. In the era of the counter-revolution mighty manufacturers' associations, employers' associations, trusts, syndicates and combinations, banking houses and banking corporations came into existence. In Russia, to-day, monopolization in a few branches of industry is very large indeed; so, for instance, the sugar, the metal, the naphtha, the textile and the coal mining industries, are in the hands of a few syndicates. Thus there grew up in Russia the mighty power of the united bourgeois organizations, the power of financial capital, interested mainly in export and trade.

The Revolution did not create a home market, it is true. This but increased the profit hunger of "our" financiers. Protected by outrageous protective tariffs that enabled them to sell comparatively cheaply in the world market, the Russian capitalist began to sell his wares in Persia, in the Balkans, in Asia Minor, etc., and even in the Far East. Bank operations were augmented, state loans to China, Persia, etc., arranged; transactions that were diametrically opposed to the interests of English, French and German capital were the order of the day.

The first Revolution itself, as we have seen, resulted in no radical upheaval. But the greatest economic phenomena of the counter-revolutionary period is the growth of *financial* capitalism and its policy of expansion, or *Imperialism*.

Two classes were emerging out of the social chaos, the liberal bourgeoisie, which gradually developed into an imperialistic bourgeoisie, and the proletariat. During the first Russian Revolution the specific characteristics of the Revolution were already quite evident, although the objective content of the Revolution was wholly in harmony with capitalism. The demands made by the masses were characteristically bourgeois, and purely democratic and republican in their nature; even the economic reforms were compatible with the interests of capitalism—as, for in-

stance, the eight hour day, the confiscation of land, and others. But though the Revolution of 1905 was the *bourgeois-democratic* Revolution of Russia, the motive power behind this upheaval was by no means the liberal bourgeoisie, but the proletariat, and the revolutionary peasantry who fought in the struggle under the control of the proletariat. This seeming contradiction may be explained by the fact that the Russian revolution came too late, came in an epoch in which the proletariat had already become a mighty factor in social struggles. So our Liberalism was condemned to a vacillating position, between Revolution and Czarism, a policy that finally resulted in the betrayal of the whole revolution. In the most critical period of the revolution, the liberals were already completely contra-revolutionary.

The outbreak of the war almost completely laved the Russian movement. It was the signal of an outbreak, in the ranks of the bourgeoisie (including its liberal as well as its radical elements), an indescribable patriotic fervor. The policy of conquest carried on by the nobility and the landowners was in accord with the thieving plans of the group which controlled the high finance of the nation. Mr. Miljukoff had long been singing the praises of the bloody policy of the Czar's government in Persia and in the Balkan States. Thus the Russian civil peace was born, though a large part of the proletariat was actively and unalterably opposed to it.

But the calculations of the new liberal class were, after all, at fault. The Czarist administration, in spite of the most energetic support of the Liberals, proved ineffectual on every hand. Corruption, systematic thievery, complete disorganization of the whole administration apparatus became more and more apparent. The needs of warfare had practically ruined the rickety economic organism of Russian national economy. Instead of increasing the production of foodstuffs the territory under cultivation was reduced. The strength of the whole nation was drawn off from productive labor and a shortage in a number of important articles of consumption followed.

Chaos reigned in the finances of the state. Securities for enormous war loans and the payment of interest, staggering sums