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Volume Title: Business Annals

Volume Author/Editor: Willard Long Thorp

Volume Publisher: NBER

Volume ISBN: 0-87014-007-8

Volume URL: <http://www.nber.org/books/thor26-1>

Publication Date: 1926

Chapter Title: The Annals of Russia

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Chapter URL: <http://www.nber.org/chapters/c4643>

Chapter pages in book: (p. 234 - 244)

CHAPTER VI.

THE ANNALS OF RUSSIA.

The Russian Empire, which included the northern part of both Europe and Asia, constituted one-sixth of the total land surface of the globe and one-twelfth of its population. Russia in Europe, with which the annals are chiefly concerned, covered more than one-half the area of that continent, but included only thirty per cent of the total population. The revolution of March 12, 1917, ushered in a period of rapid political and economic change. Finally, in 1923, the Union of Soviet Socialist Republics was formed. The area and population under the new government are somewhat smaller than those under the Empire.

European Russia includes the eastern half of Europe. It extends from the Black and Caspian Seas to the Arctic Ocean. Near its southern boundaries, it is mountainous or highland, but the bulk of the country is plateau, plain and flat land. There are large rivers and lakes. Much of Russia lies in the frigid zone where economic activity is restricted during the winter.

The area of the Russian Empire before the war was 8,291,438¹ square miles, not including Finland. In 1920, the area was 8,078,193¹ square miles, and on January 1, 1925, it totaled 8,170,108¹ square miles. The census records for Russia follow:

Census Date	Population ^a	Persons per Square Mile ^b
1860	74,120,100 ^c	9
1880	97,705,100 ^c	12
1897	125,640,021 ^d	15
1915	182,182,600 ^c	22
1920	131,546,045 ^e	16

^a Russian Empire, not including Finland.

^b Based on area data given above.

^c Official estimate. Russia Tzentral'nyi Statisticheskii Komitet, *Ezhegodnik Rossii*, 1912. Petersburg, 1913. p. 1, 121.

^d Census of 1897. Russia Tzentral'nyi Statisticheskii Komitet, *Pervaya vseobshchaya perepis' naseleniya Rossiiskoi imperii*. (Bulletin no. 4) Petersburg, 1905.

^e See source for area in 1920.

¹ Data for 1912 computed by dividing by 2,275,787, data given in versts in Russia Tzentral'nyi Statisticheskii Komitet, *Ezhegodnik Rossii*, 1912, p. 1, 25. Petersburg, 1913. For 1920, computed from Russia Tzentral'noe Statisticheskoe Upravlenie, *Statisticheskii Ezhegodnik, 1918-1920*, p. 3. Moscow. For 1925, from United States Bureau of Foreign and Domestic Commerce, *Commerce Yearbook, 1924*. Washington, 1925.

In 1860, 10 per cent of the population was urban; in 1897, 13 per cent; in 1924, 16 per cent. Emigration became a factor of considerable importance early in the twentieth century. In 1906 and 1907, the 200,000 per year mark was passed. The peak was reached in 1913, but emigration has been much smaller since that time.

The distribution of the working population by occupation as recorded in the Census of 1897 follows:

Industry	Per Cent of Total ^a
Agriculture	74.6
Manufacturing, Mining and Construction.....	9.6
Trade and Transportation	5.4
Other ^b	10.4
Total	<u>100.0</u>

^a Russia Tzentral'nyi Statisticheski Komitet, *Ezhegodnik Rossii*, 1912. Petersburg, 1913. p. 1, 87.

^b Includes those engaged in public service, professions, military and domestic service, persons with independent incomes, and others.

The proportion engaged in manufacturing has presumably increased somewhat since 1897, but agriculture still dominates economic activity.

The area of Russia is so great that a wide diversity of agricultural products is possible. In order of acreage, the most important are rye, wheat, oats, barley, and potatoes. Russia is large enough to permit plenty to exist in certain states simultaneously with famine in others, although this condition has been somewhat relieved by the development of railroads. The land area of European Russia is divided into cultivated, 26 per cent; meadow and pasture, 16 per cent; forests, 39 per cent; and uncultivated land, 19 per cent. The annals report the results each year of the wheat, rye, and oats harvests.

Russia possesses vast wealth in minerals and metals. Despite various attempts on the part of the government to develop these resources, progress has been slight. The mining of iron is perhaps most highly developed, coal mines are being opened, and the petroleum industry is expanding rapidly.

Manufacturing has extended slowly into Russia. Since 1860, some real advance has been made, especially in the textile, food, and metal industries. On January 1, 1913, there were 17,356 industrial establishments, employing 2,151,191 workers. Industrial activity was

greatly checked by the war, the revolution, and consequent economic reorganization. The gradual recovery is shown by the following table:

Year	Total Value of Industrial Output ^a (1913 roubles = 100)
1913	100.0
1920	14.6
1921-22	21.6
1922-23	32.3
1923-24	42.0

^a Segal, Louis and A. A. Santilov, *Commercial Year-book of the Soviet Union, 1925*. New York, 1925. p. 142.

Recovery has been most rapid in the oil, rubber, chemical, and paper industries, which have all reached 60 per cent of the pre-war output.

Russian foreign trade grew rapidly from 1855 to 1875, then went through a period of slow expansion until 1900, when development was resumed. In general, exports have exceeded imports. Leading exports are wheat, barley, lumber, and petroleum; leading imports are machinery and cotton.

Much of Russia's transportation is done by means of inland waterways. There are 153,782 miles of rivers, canals, and lakes in European Russia, of which 20,670 miles are navigable by steam vessels, and 7,482 miles by sailing vessels. In comparison with Russia's area, the development of railroads has been slight.

Year	Miles of Railroad ^a
1851	310
1871	6,690
1891	18,939
1901	32,595
1911	39,489
1921	40,328

^a France Statistique Générale, *Annuaire Statistique, 1922*. Paris, 1923. p. 299. Original data in kilometers multiplied by 0.62137.

The Bank of Russia, established in 1860, acted both as a state bank and as a private bank. It had more than one hundred branches. In addition, there were two state agricultural banks, formed prior to 1890. The state banking system dominates the private banks. In 1894, the Bank of Russia assumed the functions of a modern central bank of issue, and in 1897 paper money was given a gold exchange value. During the years 1918-21, there was no normal banking

activity, but with the adoption of the new economic policy in 1921, a new state bank was founded which now controls currency and credit conditions.

Russian economic conditions have always been dominated by two factors, political and agricultural conditions. In 1858, the crisis which had developed in the United States and England in 1857, reached Russia. Banks and joint stock companies were closed and there was a consequent paralysis of industry. The emancipation of the peasants with the abolition of serfdom in February, 1861, made possible the rapid development of industry. The textile industry, however, was severely strained by the cotton famine of the early sixties. Rapid railroad construction between 1868 and 1871, coupled with the closing of the French source of capital by the Franco-Prussian War, caused a recession in 1871. Revival came in 1873, although the Austro-German crisis of that year retarded foreign trade and the activity of the Nijni-Novgorod fair somewhat. After the Russian-Turkish War, 1877-78, Russian industry entered into a period of rapid expansion and enormous profits. A recession ensued in 1880, and the depression was long and severe. Recovery in 1887 had gradually developed into prosperity by the time the annals begin.

1890 Mild prosperity.

Activity continues; increased employment and wages advance; decline in foreign trade.

Money easy; extensive speculation in exchange.

Normal harvest.

1891 Recession; depression.

Decline to depression; further decline in imports.

Money tightens late in year; security prices fall.

Crop failures.

Severe famine; high protective tariff, July; construction of Trans-Siberian Railroad begins; French Alliance formed.

1892 Depression.

Dullness prevails; business failures, February; revival of imports, stagnation in foreign trade, especially exports.

Tight money eases; slight financial panic, February.

Poor crops; grain export prohibited.

Continued famine; severe outbreak of cholera.

- 1893 Revival.
Industrial activity; period of industrial expansion begins; railroad building and speculation; marked increase in foreign trade, favorable balance.
Money easy.
Large harvests.
Government establishes monopoly of spirituous liquor industry.
- 1894 Prosperity.
Manufacturers flourish; greater expansion in foreign trade.
Money tightens; St. Petersburg bourse boom begins.
Large crops, low prices.
Death of Czar Alexander III, November.
- 1895 Prosperity.
Industrial progress and activity; industry and trade vigorous; rise in commodity prices begins; expansion in foreign trade halted.
Money firm; continued bourse boom.
Smaller crops; higher prices.
- 1896 Prosperity.
Continued industrial progress and activity; commodity prices rise; marked increase in imports.
Tighter money eases; crisis on bourse.
Fair harvests; higher prices.
National Exposition at Nijni-Novgorod; coronation of Nicholas II, May.
- 1897 Prosperity.
Great activity; period of rapid expansion begins; commodity prices rise; very large exports and favorable balance.
Money rates firm; gold standard established, January; calm year on bourse.
Crop failures.
- 1898 Prosperity.
Continued activity and expansion of industry and trade; imports increase.
Money easy; security market calm.
Good wheat and rye crops, oats failure.
Port Arthur concession obtained in China, March.

- 1899 Prosperity; panic; recession.
Activity gradually slackens; cotton industry stagnant, autumn; many failures late in year; marked decline in exports creates unfavorable balance.
Money tight; bourse panic, September; financial panic, Baku, November.
Very large crops, except wheat.
- 1900 Recession; depression.
Gradual decline to depression; sharp fall in price of iron; decline in imports and increase in exports cause return to favorable balance of trade.
Severe financial stringency and many failures; security market depressed.
Average crops, record rye.
- 1901 Depression.
Dullness widespread; general level of prices declines; further improvement in balance of trade.
Tight money eases; bourse depressed.
Very poor rye and oats crops, fair wheat.
Famine and civil unrest.
- 1902 Depression.
Continued inactivity; further decline in commodity prices; rapid expansion in exports.
Money eases; bourse revives.
Excellent harvests.
- 1903 Depression; revival.
Inactivity yields to slow improvement late in year; commodity prices low; boom in foreign trade.
Money easy; bourse revival accelerated.
Good crops.
Labor troubles; civil unrest.
- 1904 Recession; depression.
Continued revival checked, February; rapid decline to depression; commodity prices rise; foreign trade boom halted.
Money tight; bourse panic, February.
Record crops.
War with Japan, February; internal disorder; difficulties with Britain over attacks on neutral shipping.

- 1905 Depression.
Industry and trade paralyzed; severe railroad troubles; strikes;
record favorable balance of trade.
Money very tight; government finances embarrassed.
Average crops.
Port Arthur surrendered to Japanese, January; fleet decisively de-
feated, June; peace treaty signed, September; internal turmoil and
revolution; constitution granting representative Parliament signed,
October.
- 1906 Depression; slight revival.
Continued paralysis; prolonged strikes; revival begins in textile
and sugar industries; commodity prices rise; marked increase in
imports.
Continued financial stringency; security prices fall.
Very poor crops.
Civil disorder continues.
- 1907 Revival.
Gradual improvement in industries other than iron and steel;
commodity prices fall; decline in exports.
Money very tight; bourse depressed.
Wheat failure, fair rye and oats crops.
- 1908 Recession; depression.
Slackening of industry and commerce; further decline in com-
modity prices; exports reach low point.
Money eases; some revival on bourse.
Poor wheat, fair rye and oats crops.
Internal unrest.
- 1909 Depression; revival.
General improvement sets in, last half-year; commodity prices
rise; revival in export trade, very large favorable balance.
Money easy; active revival on bourse.
Record crops; high prices.
Political calm.
- 1910 Prosperity.
General activity and increased production; further advance in
commodity prices; further improvement in foreign trade.
Money easy; vigorous rise in security prices.
Excellent harvests; high prices.
Cholera severe.

- 1911 Prosperity.
Brilliant year in manufacturing and mining; commodity prices rise; exports reach peak.
Money easy; upward movement in security prices.
Very poor crops, especially wheat.
Expedition to Persia.
- 1912 Prosperity.
Great industrial activity; some scarcity of raw materials; energetic railway construction; general rise in price level; wide speculation; foreign trade falls off.
Money tightens; continued rise on bourse to Balkan crisis, September.
Large crops, record rye.
Russian army mobilized.
- 1913 Prosperity, except bourse.
Continued activity and progress in industry; raw material shortage; increase in imports.
Money tightens; severe credit strain develops; bourse panicky.
Excellent harvest, record wheat.
- 1914 Recession; panic; depression.
Gradual slackening to war, then stagnation; labor troubles; transportation shortage; foreign trade paralyzed; unfavorable balance.
Money tight and exchange unfavorable; panic with war; moratorium; gold payments suspended, August, and inflation of currency begins.
Poor harvests, much unmarketed; lower prices.
War declared, August; consumption of alcoholic liquors forbidden, August; Russian successes, occupying Galicia.
- 1915 War activity.
Government assumes control of transportation, industry, and prices; decline in private activity; severe transportation congestion; commodity prices rise; small exports, extensive imports.
Money tight; steadily falling exchange.
Excellent crops; higher prices.
Russian victories, spring, but defeats and retreat thereafter; bread riots, Moscow and Petrograd, first quarter.

- 1916 War activity.
 Government control extended to include market distribution; commodity prices fixed; transportation shortage severe; some industrial expansion, last half-year; foreign trade declines, while value of imports advances.
 Money tight; rapid currency expansion; exchange steady.
 Fair crops.
 Some military success against Austria.
- 1917 Recession; depression.
 Decline in activity and industrial production; temporary improvement in spring; rapid advance of commodity prices.
 Money very tight; banks nationalized, December; rapid fall of exchange begins, May.
 Average crops.
 Wide distress; Czar overthrown, March; Korniloff attempt, August; Bolsheviks overthrow Kerensky, November; armistice with Germany, November; continual unrest.
- 1918 Depression.
 Communistic economic policy, with nationalization of bonds, trade, and industry; disorder in transportation.
 No money or credit market.
 Average crops.
 Civil war; blockade; Brest-Litovsk treaty signed, March; famine in towns and cities.
- 1919 Depression.
 Policy of national operation continues; government control of production and distribution; distress due to imperfect coördination of different branches of industry.
 Intensive currency deflation.
 Policy of confiscation of peasant's products adopted.
 Famine in towns and cities; civil war; blockade; Kolchak, Denikin, and Yudenich all defeated.
- 1920 Depression.
 Continued communistic policy; small production.
 Continued attempt to abandon use of currency.
 Policy of confiscation of peasant's products continued.
 Famine in towns and cities; war with Poland; Wrangel attempt successfully defeated; peasants uprising; blockade raised, January.

1921 Depression.

New economic policy adopted, March; gradual reorganization of industry and markets; rapid increase of prices; foreign trade monopoly modified; imports increased, last half-year.

Severe depreciation of currency; money again permitted full circulation, June; state bank established, November.

Unprecedented crop failure; very high prices; government ends policy of confiscation and taxes on commodities of peasants.

Famine and severe distress; trade agreement with Great Britain, March.

1922 Depression; slight revival.

Some increase in manufacturing and mining; foreign trade revives, especially imports; state foreign trade monopoly abolished, October.

Bourse and credit organization reestablished; continued inflation of currency; issue of bank notes, or chervonetzi, authorized.

Very good crops.

Severe famine necessitates American relief.¹

1923 Revival; recession, October.

Increase in industrial production and trade; depression, April and May, and end of year; unemployment; favorable balance of trade due to large decrease in imports and doubling of exports.

Continued monetary inflation; severe credit restriction, August, culminating in crisis, October; government opens additional banks.

Average crops; relative value of agricultural commodities continues to fall.

New constitution, July, changing government to union of four republics; various trade agreements made.

1924 Mild depression; revival.

Some increase in production; severe depression, spring, lessens in summer; steady growth of foreign trade, though still far below pre-war totals.

Very rapid depreciation of rouble, and rise in chervonetz exchange; currency stabilized, March, on the basis of chervonetz; currency shortage, March and April; currency restriction, spring.

Poor crops, improved prices.

Lenin dies, January; *de jure* recognition by Great Britain, February, followed by eleven other countries.

¹The famine resulted from the failure of the 1921 crop, the very good crop of 1922 not becoming available for relief until late in the year.

1925 Uneven prosperity; recession.

Further increase in volume of production; unemployment; commodity prices advance to peak, May, decline to September, and then advance somewhat; recession to dullness, last quarter; increased foreign trade, state restricting imports.

Money tight; increased currency circulation.

Large wheat crop, lower price; large increase in barley, some in rye yield.

Diplomatic relations with Japan resumed, January; partial prohibition of liquor consumption abolished, October.