



WINSTON CHURCHILL used to say that Russia is a riddle wrapped in an enigma within a mystery. But to him who has studied that country, its history, religion, language, mentality, the truth will come more easily; the many widespread dangerous cliches will dissolve before his mental eye.

One of the most common of these cliches is to the effect that the Russians are "by nature" collectivists, that their souls are aching for tyranny, all of which makes them so susceptible to Communism. Did not the large mass of the Russian people consist of serfs? The truth however is different. In old Russia, in contrast to America, slavery had never been

institutionalized; the majority of the farming class had consisted of free people. As a matter of fact, serfdom as an institution had only existed in central and western Russia, but not in the far north, in the south, in the eastern part of the country, and certainly not in Siberia. (The Cossacks lived notoriously a very free life.)

It is true that in large areas, as a result of the abolition of serfdom in 1861, the peasants were given land collectively which resulted in a very poor agriculture with recurrent famines; but Stolypin, the "arch-reactionary" Minister of the Interior, disestablished the collective holdings, the *Mirs*, early in this century. The subsequent individual farming, together with a second agrarian reform, initiated the rapid development of Russian agriculture with the ambitious

Dr. Kuehnelt-Leddihn is a European scholar, linguist, world traveler, and lecturer. Of his many published works, perhaps the best known in America are *Liberty or Equality?* and *The Timeless Christian*.

peasants, the *kulaks*, leading the nation to a new agrarian wealth. (The final goal of the gradual reform was to have only 11 per cent of the arable area covered with large estates by 1930.) By 1916 only 23 per cent of the usable land was in the hands of big landowners, whereas in Britain this share was 55 per cent! And we ought to add to this that Russia never had a ruling nobility. Old Russian titles mean a great deal more in Hollywood than they ever meant in Russia. Social arrogance, as we know it in the West, was unknown there; it came into being only in recent decades as a result of Marxist indoctrination with the accent on class consciousness. He who knows the USSR or reads contemporary Russian plays and novels is fully aware of this rather depressing fact.

Russians, indeed, are by nature great individualists; they always constituted a nation of eminent independent thinkers, poets, scientists, philosophers, artists, musicians, mathematicians and so forth. Edward Crankshaw explained in a brilliant article in *International Affairs* (October, 1945) how precisely due to her people's individualism a purely parliamentary democracy for Russia is out of the question—now and forever. This might sound paradoxical to American ears but

Harold Laski had previously pointed out to us that representative democracy, in order to be workable, has to rest on two premises: a two-party system and, more importantly, a common framework of reference, a common language, the thing which Walter Lippmann called a "Public Philosophy." Such a common framework has never existed in eastern or southern Europe where, for a variety of reasons, intellectual individuality and not a sentimental community spirit always prevailed. All of which moved the classic British liberal Walter Bagehot to the conclusion that democracy needs a rather "stupid people" (*Letters on the French Coup-d'Etat*, 1852). The Russians, in other words, are too bright for their own good. They will always have a government-from-above which can be spiritual or materialistic, liberal or tyrannic, benevolent or malignant. Self-government in Russia can only be local and limited.

#### **Degrees of Government Intervention**

In the various forms of society, government and economics are admittedly interdependent, but not in a crudely automatic way. There are provider states which are not socialistic, there existed liberal as well as communist monarchies (the Empire of the Incas) and totalitarian democracies. Spain,

for instance, has a rather limited political freedom but a great deal of economic liberty. Brazil has a military dictatorship but its economy rests on free enterprise. Continental Europe before 1848 had a free market economy under royal absolutism. But the USSR boasts a democratic label and has practically no freedom, neither economic, nor intellectual, nor religious. It knows not even the freedom of residence.

Old Imperial ("Czarist") Russia, however, had a far-reaching economic freedom. Of course, we always ought to distinguish Russia before the liberation of the serfs from the Russia between 1861 and the issuing of the Constitution (1905), and the latter from the liberal monarchy between 1905 and the Revolution. The freedom of expression during this "terminal" period was nearly complete. In 1912 the *Pravda*, founded in broad daylight, violently attacked the government. There were, moreover, Bolshevik delegates in the *Duma* (Diet), but no Anarchists ("Social Revolutionaries"), a party which indeed represented total individualism, but also murder and arson. (It was banned by law, but Kerenski secretly adhered to it). As a matter of fact, the government favored the Social Democrats, with their menshevik and bolshevik wings,

over the Anarchists, the latter claiming not Marx, but Bakunin (a nobleman) and Prince Kropotkin, who died in 1921, as their founding fathers and spokesmen. (Incidentally, the great bolshevik leaders beginning with Lenin were frequently members of the nobility.)

### **Progress through Freedom**

It was thanks to economic freedom that Russian industry, though late getting started, enjoyed a fabulous development in the quarter century before the Red Revolution. The annual *increase* of Russia's industrial output and capacity in those years was far larger than that of any other modern nation, including that of the United States. Evidence may be found, of all places, in the *Illustrated History of the Russian Revolution* (New York, 1928), a Communist publication. Obviously, Russian labor, largely lacking skills, discipline, and the famous "Protestant work ethics," could not be well paid any more than in any other "emerging nation" in the first phase of industrialization when heavy investments are necessary and the purchasing power of the masses is still exceedingly low. The new class of Russian entrepreneurs, needless to say, were not members of the old upper layers, but *homines novi* — industri-

ous blacksmiths, bright peasant boys, aggressive skilled workers with foreign experience. Small amounts of capital allowed miracles to be worked, and soon Russia became Europe's "Eastern America," brimming with Horatio Alger stories.

One has to admit, however, that the newly rich often displayed their freshly acquired wealth in rather crude fashion. Thus, today a foreign embassy in Moscow is housed in the palace of a sugar king's mistress — but this particular millionaire was the son of a serf. Yet, we may be sure that his income, if spread evenly among his workers, would not materially have improved their lot, which surely worsened after 1917.

At the outbreak of World War II the wages paid to workers were lower than before the Revolution. One has only to read the splendid work of Manya Gordon, *Workers Before and After Lenin* (New York, 1940), to get the relevant data. Of course, the illusion that a radical redistribution of income fundamentally improves the living standards of the lowest classes is still general among loose-thinking sociologists. Socialism also feeds on this erroneous belief. It is, however, the bigger cake, not the reslicing, which improves the lot of the many. And the bigger cake requires wise reinvestments, good

management, and a high ethical concept of work.

With the Communist Revolution, Russian industry and agriculture took a nose dive. The peasant class, at first, did not resist Communism, because the remainder of the large and medium estates was distributed among them. Lenin also permitted during several years a minor trade which quickly started to bloom. These, even to Lenin's mind, were only temporary concessions. Stalin liquidated not only the "New Economic Policy" (NEP) but also the independent peasantry. First the *kulaks* were expropriated and partly exterminated; then the rest were crushed and collectivized. The Five-Year-Plans were put into action. Since then, a dark night had settled over the Russian economy.

#### **A Low Standard of Living**

Today, we might get impressive (but who knows how accurate?) statistics about production but we do know that East German aid to the space program has been substantial. We also know that machinery imported from Czechoslovakia and Hungary abounds in the USSR, but we fully realize that the living standards of the masses, including the professional class (other than a tiny top sector), are truly miserable. Assum-

ing that the rouble is US \$1.20, the salaries and wages for workers, doctors, factory directors are not so terribly bad by West-European standards. But let us remember that the rouble can be bought in Vienna or Zurich for 19 cents, and this gives us a far more accurate picture of conditions inside the Soviet Union.

One must admit that medical services (of a modest nature) are gratuitous. Also, rents are very low, but not so if we consider them in relation to space; then, indeed, they are very high. Only university professors, members of the Academy of Sciences, directors of leading theaters, writers, prima ballerinas, and certain very highly placed civil servants live well; but we should not believe that thereby they are all "bought" and really believe in Communism. The purely managerial class is not at all well off. A factory director usually could not feed his family. His wife would have to work as well. Yet, socially speaking, he would arrogantly look down on teachers, engineers and so forth. Status and income are by no means identical.

### **The "Theory of Convergence"**

Curiously enough, there is in the Western world, and especially in the United States, a rather widely-held belief that the radical differences in social structure and

economics between East and West are gradually disappearing, that the West is becoming more and more "socialistic" and the Soviet Bloc more and more "capitalistic," thus eventually ensuring peace. This is the famous "theory of convergence", a very soothing theory indeed. Andrei Amalrik, the brilliant (and again jailed) author of *Will the Soviet Union Survive Until 1984?* has rightly ridiculed this notion because he knows only too well that practically all Russians are absolutists, that institutions in the East are not bent but broken, that dogmatism and revolution, not relativism and evolution, dominate Eastern life. English-speaking nations, to the contrary, are enamored of the notion of evolution, of nice, little, painless, gradual changes. In addition, they mistake welfarism for socialism. The latter means the ownership of the means of production by the state. Of course, in practice all socialist countries are "welfarist" (and stand for the Provider State), but not all Provider States are socialistic. (In Sweden 90 per cent of economic resources are still privately owned, though this might change in the near future. Of course, "welfarism" in the Western world is on the rise, but this itself will never close the gap between East and West.) Even the

undeniable convergence between Russia and Red China does not particularly make for peace.

The only socialist country in Europe which has made ideological compromises on the economic front is Yugoslavia, which from the Muscovite point of view is a heretical outsider. It still has a free peasantry and small private enterprises with up to fifteen employees. But the future of Yugoslavia nationally and economically is dim. Economically, this is the case because free enterprise is a system which walks on long legs and socialism on short legs. What happens if one leg is long and the other one short? Such an economy will be prone to fall on its nose. And besides Yugoslavia, only Poland has a non-collectivized peasantry.

#### **No More Private Enterprises**

When I first visited the USSR in 1930 at the age of twenty, I was even then struck by the fact that the only surviving free entrepreneurs were the watch-repairmen, the bootblacks, cobblers and a few tailors. I saw no private stores left. At my later visit in 1963, "socialization" was total and complete. Bootblacks received a salary and that was it. As far as the Soviets were concerned, there was and there still is no sign of an economic "convergence". (There

is, however, a fair amount of neo-Stalinism in the domains of intellectual and religious life). It is true that there are a few economic theorists (like Liberman) who, though not dreaming of a renewal of private enterprise, are attracted by the idea of competition. But it is impossible to see how one could have genuine competition when the economy is centrally planned and rests squarely on state monopolies (dragging along totally uneconomic industrial enterprises).

A return to private enterprise and private ownership is, above all, ideologically out of the question. It is significant that the micro-elite with their very substantial incomes squander them almost planlessly because they cannot buy anything of permanent value — real estate, houses, precious metals, bonds with a fixed value. The *datcha* (country house) which, after a fashion, they "own" stands on state ground and could be "removed" any time. They spend vast sums on good food, expensive drinks, pictures (also from officially proscribed painters) and — perhaps the only genuine piece of real estate — on pompous mausoleums in exclusive cemetery sections. There won't be and there cannot be in this domain a genuine change, because communism's most fundamental dogma is state

ownership of the means of production, and the Kremlin's crucial strategy is the *utter material dependence* of its subjects upon the state. (That the state one nice day should wither away, nobody while of sound mind takes seriously.)

Is there a hankering of the Russian people for personal independence and private enterprise? A genuine yearning? Or is the Russian underground opposition merely hostile to the most tyrannical aspects of the present government while accepting in its heart a socialist order? There is a widespread belief in the West (in America, probably, more than in Europe) that the memory of personal property and free enterprise in the USSR is dead as a door-nail and that what the Russians today desire is merely a bit more privacy, freedom of expression, and a chance to read flashy American periodicals. By and large this view is not true to fact. To the contrary, the critique of the totalitarian excesses of the regime is more and more being supplanted with a mounting protest against the system itself. The once so meekly expressed preference for a "genuine Marxism-Leninism" to Stalinism or Neo-Stalinism is increasingly replaced with violent attacks against Marxism. I think there would be an even more gen-

eral attack in the underground publications against all forms of socialism if there were a better understanding of the nature and possibility of private enterprise on a large scale.

### **A Cruel System of Controls**

In the mid-nineteen-thirties a Hungarian Communist writer, Erwin Sinkó, settled for more than a year in Moscow. In his brilliant account of that period published in German, *Der Roman eines Romans* (Cologne, 1962 and 1967), he provides us with a great many interesting observations and insights. (Sinkó died as a Titoist in Yugoslavia only a few years ago). He was in the USSR at the beginning of the Big Purges but shamefacedly admits that he was not aware of them.

He saw that the USSR was producing goods far more expensively than Western Europe (largely on account of poor work ethics and the frightening bureaucracy) and quotes his Jewish landlord to the effect that he would never become a Bolshevik because Socialism is intrinsically cruel. He also offers us a wonderful, lively portrait of a cobbler who then still was able to pursue his humble trade on a street corner almost literally crushed by taxes designed to ruin his business. But the man held out heroically to keep his precarious

freedom and independence. Stubbornly he refused to join the state-owned shoe repair workshops.

Today, needless to say, nothing of the sort would be tolerated for a moment. All that remains of private enterprise is the gray market for agricultural products provisioned from the small personal plots of the farmers (always subject to recall and cancellation), a very limited market without which the Soviet population would have died of starvation years ago. (The misery of a peasantry constituting over 30 per cent of the total population of the country, which in spite of excellent soils is unable to feed the USSR properly, is really the scandal of the century.)

### **Socialism Easy to Explain**

During my stay in the USSR I often talked with people about their country's economic problems. Thanks to a variety of sources (among which Western radio stations figure prominently) the masses of the Russians do realize that our living standards are much higher than theirs and many of them, in a way, are puzzled by this state of affairs. "Here," they said, "everything is carefully calculated and planned in advance, and you in the West are subject to the chaos of a free competitive enterprise. How then is it possi-

ble that you are so much better off than we are?" This surprise is simply due to the fact that Socialism is what Tocqueville called *une fausse idée claire*, a false, but clear idea.

One can explain socialism to anybody in ten minutes, giving him the essence of that doctrine in a nutshell. Free enterprise, which is far more progressive and sophisticated, needs a great deal more time and effort for its exposition. (Socialism, one ought never to forget, exists in many a primitive society with very little stress placed on human personality and therefore it appeals so strongly to people in the Third World.)

Of course, the value of small personal enterprise was quickly grasped by my interlocutors. "But do you think it to be just if a single person has millions of roubles or owns a huge factory employing hundreds of workers — they would then be at his mercy, wouldn't they?" Such arguments arise because among the Soviet citizens there no longer exists the memory of a free laboring class (or of collective bargaining).

The real surprise to most of my acquaintances came when I told them about the workings of a stock company. "Yes, fine, but who is permitted to buy these stocks? What party affiliation must he have?" The idea that simply any-

body can buy stocks and thus get a share in the enterprise came as an added shock, but once a man pointed an accusing finger at me and said: "What you tell us can't be true and I'll tell you why. If your representation is correct then a worker could buy shares of his own factory and get the dividends of his own labor and thus become employer and employee in one person — the boss of his manager — and that's patently impossible." When I explained to him that it was quite feasible and occasionally does happen, everybody was non-plussed and one person declared that such state of affairs was "exceedingly democratic" (which in a certain way it is).

### **Signs of Opposition**

Yet "capitalist thinking," without the slightest chance of being adopted by the government, is gaining growing adherence in opposition circles. The excellent work by Cornelia I. Gerstenmaier, *Die Stimme der Stummen* (which will soon be published in the United States) shows a real change of mind. The author, who is a serious German scholar and has spent considerable time in Russia, is the daughter of a former chairman of the Bonn Diet. She had and still has access to the typed and retyped publications of what one jokingly calls *Samizdat*,

the "Self-Publishing Company". There she tells us, among others, of the famous programmatic pamphlet of Alekseyev and Zorin, "Time Does Not Wait," where these two authors — the pseudonyms cover a technologist and an educator — inform us that "the deadly grip of the government on economics must come to an end." A manifesto of the so-called "Democratic Movement of Russia, the Ukraine and the Baltic Nations" — this label itself tells a story! — insists that state, group, and *private* enterprises ought to get the same rights in managing the means of production.

### **Growing Appreciation for Freedom**

Probably the most moving document in this book is that by Boris Talantov, an outstanding underground leader who early this year died in a Kirov (Vyatka) prison. Talantov was a layman and a mathematician but the scion of a family of priests. Himself a profoundly religious person, he denounced the Moscow Patriarchate for collaborating in an abject way with the Soviet government, an accusation widely printed in the West and forcefully repeated by Alexander Solzhenitsyn in an open letter. (Archbishop Nikodim — a most disreputable character as we can see from André Martin's book on religion in Russia — thereupon

declared that Talantov "never existed" but had been invented by anti-Soviet propaganda.)

The testimony of Talantov is all the more valuable because religious groups in the Old World (under monastic influence) have traditionally shown very little interest in the burning question of private property and free enterprise. But Talantov, in whom we have to see primarily a religious martyr of the Eastern Church, as the author of a widely circulated pamphlet entitled, "The Communist Party of the Soviet Union as Ruling Class in Soviet Society," knew the real nature of the evil. Here he gave us a precise analysis why there can be no freedom, no respect for the dignity of the person in a socialist system. He even strongly emphasized the *economic* superiority of free enterprise over state capitalism. The latter insures the total enslavement of the working class and, incidentally, also the economic enforcement of atheism by a methodic discrimination against religious workers. Private

enterprise, Talantov insisted, not only guarantees a minimum of freedom, but also produces goods of greater quality with fewer economic inputs.

Has the Russian underground embraced Adam Smith? It would be premature to answer this question in the affirmative. It is certain, however, that a chance for sound economic thinking exists, not, of course, within the Soviet government, but among its internal enemies who are all very much aware of the West's material superiority. As a matter of fact, religious, political and economic truth in the Soviet Union is engaged in a heroic uphill fight; whereas in the West, truth, due to mental sloth, envy, jealousy, and the masochistic denigration of one's own traditions, is slipping and sliding, is obscured and forgotten. Under these circumstances it would be a real shame for us, who had all the breaks, if the Light again would be coming from the East. 

### Service

IDEAS ON



LIBERTY

WHOEVER could make two ears of corn, or two blades of grass, to grow upon a spot of ground where only one grew before, would deserve better of mankind, and do more essential service to his country than the whole race of politicians put together.

JONATHAN SWIFT

CLARENCE B. CARSON

THE  
FOUNDING  
OF  
THE  
AMERICAN  
REPUBLIC

13

The American  
Triumph

THAT THE AMERICANS were eventually triumphant in the War for Independence is a matter of record. The triumph was military, diplomatic, and big with portent for the future of republics. That the triumph could have come earlier, could have been more decisive, and could have involved the United States in fewer entanglements, is speculation. George Washington thought that the victory could have come much sooner. In his circular letter to the governors of the states in 1783, he declared that if he had sufficient space he "could demonstrate to every mind open to conviction, that in less time, and with much less expense than has been incurred, the war might have been brought to the same happy conclusion, if the resources of the continent could have been properly drawn forth. . . ."1 Speculation is not history of course, but it does sometimes help to shed light on history. The prolongation of the war due to the failure to muster American resources effectively brought in its train a host of consequences, some of which entangled America with European powers at just that time when they were effecting their independence of England.

---

Dr. Carson shortly will join the faculty of Hillsdale College in Michigan as Chairman of the Department of History. He is a noted lecturer and author, his latest book entitled *Throttling the Railroads*.