

NUMBER 49

Entrepreneurs and Entrepreneurship
In Sixteenth-Seventeenth Century Russia

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Conference on Entrepreneurship and Economic
Innovation in Russia/Soviet Union

Sponsored by

Kennan Institute for Advanced Russian Studies
American Association for the Advancement of Slavic Studies

November 16-18, 1978
Washington, D.C.

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If the title of this paper raises some eyebrows, that is a tribute to the strength of an historiographical tradition which envisages Muscovite Russia as a commercially and industrially backward country in which, necessarily, businessmen and entrepreneurial activity could play only an insignificant role. The tradition owes much to the mutually reinforcing writings of such foreign observers of Muscovy as Giles Fletcher, Iurii Krizhanich, and Johann Phillip Kilburger. Fletcher (1590) portrayed the Russian merchants as a group with low status and no power ("no better than servants or bond slaves"), whom the tsars regularly fleeced; and, since accumulation under these conditions was but the prelude to spoliation, they showed little interest in enterprise. Krizhanich (1663-5), a Croatian Russophile, was dismayed by the Muscovites' ineptness in economic affairs, and fervently hoped to teach them how to improve their performance. Almost a century after the publication of Fletcher's book, Kilburger (1674) wrote: "the Lord God, for unknown reasons, still conceals from the Russians [that] no country can do without a merchantry [and trade], and . . . that their country more than any other in the universe is endowed with the requirements (udobstva) for the organization and flourishing of commerce." Fletcher, Krizhanich, and Kilburger all emphasized that the Russian government was excessively involved in economic enterprise, and that it stifled private business effort with inordinate regulation and unmeasured exactions.¹

This point of view deeply influenced pre-revolutionary Russian historians and, through them, Western writers both past and present.² But another and contrary tradition has taken shape in the present century.

It had its beginnings with M. N. Pokrovskii, who envisaged the rise of commercial capitalism to predominance--and a concomitant rise in the power of the merchant class--in the sixteenth and seventeenth centuries.³ After the repudiation of Pokrovskii in the thirties, Soviet historians assumed a less extreme stance, finding in Lenin's well-known remark concerning the role of "merchant capitalists" in the development of an "all-Russian market" the basis for locating the beginning of the "transition from feudalism to capitalism" in the seventeenth--or, occasionally, the sixteenth--century. Soviet researches both in Pokrovskii's time and since have produced a considerable amount of material which highlights commercial and industrial development through entrepreneurial activity in the Muscovite era.

In the last two decades, new developments have complicated the historiographical situation. The post-Pokrovskii Soviet position failed to convince all members of the guild, and in the sixties the skeptics directed a well orchestrated attack against it. Arguing that the dominant conception was unacceptably onesided, they denied the claims made for the sixteenth and seventeenth centuries, and placed the beginning of the transition to capitalism no earlier than the last third of the eighteenth.⁴ Although the critical group clung to various concepts that Western scholars generally are unlikely to accept, nevertheless, its efforts significantly narrowed the distance between the two. In roughly the same years, interestingly enough, a few Western writers who may have been influenced in one way or another by the dominant current of Soviet historiography have challenged the virtual consensus in the west. In reaction to what they perceived as a onesidedness of their colleagues, they contended that commerce, industrial development, and a bourgeoisie were of greater moment in the Muscovite era than Western scholarship has been willing to concede.⁵

Diversity of views is of course not a bad thing, but it is a source of some puzzlement when those holding differing ones have available much the same materials. Differing presuppositions and approaches may not be so important as we are apt to assume, moreover, when rifts are apparent not only between but also within the Soviet and Western historical communities. Is it possible, we are impelled to ask, that the well-worn tale of the blind man and the elephant is germane; that neither of the primary contending parties has grasped the whole truth, each having seized a part which it mistakes for the whole? In particular, is it possible that those who have trumpeted the achievements of entrepreneurial activity in our period have tended to ignore the impediments to capitalistic development while those who have concentrated on the latter have tended to underestimate the former? May not the dissenters on both sides have been groping toward a synthesis which would do justice to both aspects of the story? If their varied efforts have been less than compelling, rather than dismiss them, might it not be preferable to strive for a more accurate and balanced representation? Such unsettling thoughts and questions have occurred to me with increasing frequency since I, an upholder and sometime contributor to the dominant western view,⁶ lightheartedly agreed to write a paper on the emergence of the entrepreneur in sixteenth-seventeenth century Russia.

The discussion which follows may seem at times to be only obliquely concerned with entrepreneurship, but there are good reasons for this. For one, information on many aspects of entrepreneurship in Muscovite Russia is anything but abundant. On the other hand, as Barry Supple has so effectively demonstrated for Western Europe in this era, enterprise cannot be divorced from the environment in which it occurs.⁷ As the

range of factors which make up the environment establishes the framework and limits, and shapes the character, of entrepreneurial activity, these factors must figure prominently in our discussion.

A Great Potential, Minimally Exploited?

Let us begin with Kilburger, who evidently was the first person to pose the problem trenchantly. As he saw it, Russia was blessed with a whole series of advantages "for the organization and prospering of commerce," and yet it failed to secure a tenth of the gain that it might were its resources more effectively exploited: 1) It was well furnished with valuable resources, among them furs, leather, and hides, hemp and flax, fish and caviar, train oil, potash, tallow, masts, and grain. On the other hand, it required many things which it did not itself produce, and thus the essential conditions for a lively and profitable foreign trade existed. 2) Its frontiers were close to four of the world's great seas--the Baltic, White, Black, and Caspian--and, therefore, it was admirably situated to engage in trade with both west and east. 3) Besides, he implied, Russia's geographical situation offered its merchants the opportunity to profit further by acting as middlemen between east and west. 4) Because Russia boasted many navigable rivers, foreign goods could readily be transported into the interior, and native products to seaports, whence they might be shipped abroad. 5) Finally, Russia's people, whether of high estate or low, showed a decided propensity for trade. The merchants were shrewd and able, and their requirements were modest. Therefore, they ought to prosper, to accumulate, and to expand their business operations.

Paradoxically, this apparently auspicious set of circumstances had thus far produced meager fruit because, as Kilburger put it, the Russian authorities "oppress and hinder trade in many ways." He alluded to the tsar's monopolies in the trade of a number of commodities; the failure to support financially those who knew how to develop manufactures; the oppressive activities of the gosti (the merchant elite), whom he envisaged as the tsar's factors; and the heavy duties and other hindrances inflicted on foreign merchants. The economy languished for other reasons too: The government deprived itself of the helpful services of foreign specialists because it reputedly dealt arbitrarily with them; and, to compound the difficulty, it would not allow its own subjects to go abroad to study with others. Besides, the Russians failed to give due attention to communications and transportation. They did not keep the roads in proper condition, and they did not build ships, even though they possessed in abundance all the essential materials.⁸

The last point was also stressed by other foreign observers, most notably the Frenchman Jean de Gron, who in 1651 submitted to Tsar Aleksei Mikhailovich a plan for the economic development of Russia.⁹ The key point in his scheme was the establishment of a shipbuilding industry. This undertaking would stimulate the exploitation of the forests for timbers and the growing of hemp and flax for rope and sails. The new industry would soon create a Russian merchant fleet, the means to expand Russian commerce manifold, and this shipping capability would stimulate native export industries. De Gron projected a bustling trade not just with Europe but such far-flung places as Brazil, India, and China. The fleet could be

gainfully employed in carrying the cargoes of other countries as well, and Russia might even sell ships to Portugal, Venice, and France at a handsome profit.

There is obviously more than a grain of the fanciful in De Gron's plan--could anyone seriously expect Russia to be transmuted forthwith into a maritime power capable of carrying on an active trade with Europe, Brazil, India, and China? Elements of Kilburger's analysis call forth objections too. To begin with, Russia's southern frontier actually lay a considerable distance from the Black Sea and, although part of its northeastern border was close to the Baltic, it had free access to neither, since both were controlled by foreign powers. The White Sea port of Archangel was frozen shut half of the year, and Russia's rivers too were closed for many months. Russia's failure to maintain a good road system is understandable, indeed inevitable, given its well integrated river system and the prohibitive costs of building a satisfactory road network in such an enormous territory. Foreigners were in fact recruited into Russia's service in some numbers, and only few, usually high ranking military men, were detained.¹⁰ However, despite such objections, it would seem that Kilburger's analysis and his and De Gron's prescriptions still have considerable merit. In particular, Russia seemed to enjoy real opportunities to expand its commerce if its merchants more vigorously assumed the role of intermediaries between east and west, and if it were to create a merchant fleet of its own. It was not unreasonable to suppose that the growth of foreign trade and shipping would stimulate the exploitation of native resources; and that increased use of foreign experts and the sending of Russians abroad to study would result in the introduction of new, or the improvement of old, industrial methods.

Last, but not least, if the tsar gave up his trade monopolies; and, in general, if the government loosened control of economic affairs would not private initiative be stimulated, and commerce and industry flourish?

If, initially, assent to all this is apt to be readily forthcoming, the more one reflects on these propositions the more do doubts arise. People like Kilburger and De Gron were rather insensitive to what we may broadly call cultural differences and the limits they set on possibilities for change. For that reason, they greatly overestimated Russia's then potential for economic development. Still, they should not be judged too harshly. After all, able western economists who participated in the emerging field of development economics after World War II were obliged to discover the hard way the truth, as it was often expressed, that "you go into one of these Asian or African countries as an economist, and come out an anthropologist." In other words, to gauge the prospects and find suitable avenues for economic development requires a good understanding of the particularities of the society and culture concerned. Kilburger and other foreign observers of Muscovy were intelligent men but they were not anthropologists nor even economists; and, in the bargain, they apparently knew little about Russian history and the deeply ingrained features of the society it had shaped.

Consider, for example, the expectation of Kilburger (and Krizhanich) that the Russian government might be persuaded to withdraw from or relax its control of different areas of economic activity, thus providing a stimulus for private initiative. To both components of this proposition, contrary arguments may readily be adduced. Apropos the first, in as much as pretensions to unlimited power (autocracy) and to control of the

country's resources (patrimonialism) were fundamental features of the Muscovite political system,¹¹ the likelihood that a tsar might respond positively to such pleas seems slim indeed. It may be retorted that neither Kilburger nor anyone else advocated a government policy of laissez-faire; it was a case rather of favoring intelligent and stimulative over wrong-headed and stifling state action. And, if, as such different writers as V. O. Kliuchevskii and the Soviet author A. I. Pashkov have agreed, the Muscovite government "looked upon the economy first of all as a source for replenishing the state treasury, and [accordingly] subordinated its economic policy to fiscal interests," then a tsar's own self-interest should lead him to welcome proposals which promised economic growth and a consequent increase in revenues.¹²

Though this line of reasoning may seem persuasive to us, it would not necessarily have convinced a Russian ruler. What we have designated intelligent and stimulative action implies selective rather than comprehensive state involvement. But a powerful inclination toward total control was a most prominent feature of Muscovite autocracy. Arguments for self-limitation, therefore, were tantamount to arguments for a change in its essential nature. Except for the remarkable A. L. Ordyn-Nashchokin, a voice crying in the wilderness, Russia's governing elements apparently took for granted a direct relationship between the extent and effectiveness of controls and the volume of revenue generated for the treasury.¹³ Such an attitude might have seemed to be supported in fact, for revenues had grown as state authority expanded in the course of the sixteenth and seventeenth centuries, notwithstanding the setbacks inflicted upon the economy by the Livonian War, the oprichnina, and the Time of Troubles.

The reverse side of this attitude, it should be pointed out, is a lack of faith in the value of private initiative left to itself. Finally, the power of conservatism, the attractiveness of tested and more or less efficacious methods as opposed to new ones whose results were bound to be uncertain, should not be underestimated.

On the other hand, let us suppose that the regime accepted counsel of the sort Kilburger proffered. Would private initiative inevitably have been unleashed, with marked and persistent economic growth following? On the basis of the widespread "love of trade" he had observed, Kilburger assumed that this would occur if the government pulled back from commercial operations and gave up all sorts of burdensome regulation of the operations of others. Without a doubt, private merchants could be expected to exploit commercial opportunities made available were the tsar to surrender his trade monopolies in a variety of products. Other than that, however, there are ample grounds for skepticism with respect to the expectations of Kilburger and his like. He was unaware of the history of the Russian merchantry, of the near disappearance of towns and trade during the long period of the Mongol yoke, and of their subsequent, slow revival within the framework of a Muscovite state well along in the process of unification and centralization. This powerful state easily subordinated the young, small, and comparatively weak merchant element to its own interests and needs. The merchants generally accepted their subservient status rather than struggle for greater independence and self-determination, and their capacity for initiative was accordingly stunted. Yet important though these circumstances were, the posture of the merchants cannot be understood solely in terms of their relation to the government.

Because Russia long stood outside the main currents of European commercial development, its merchants had not experienced the transforming effects of what Robert Lopez has called "the commercial revolution of the middle ages."¹⁵ In the sixteenth and seventeenth centuries, they were in more or less continuous contact with the dynamic merchant capitalism of Western Europe, with its great store of accumulated knowledge, skills, experience, and supportive institutions, but were incapable of competing with it. They evidently recognized their inferiority and saw no hope of overcoming it, especially since West European merchants actively discouraged them. Consequently, they tacitly ceded a large measure of control over their foreign trade.¹⁶ They did not go abroad to traffic; instead, foreign merchants came to Muscovy to sell European goods and to procure Russian wares for European markets. The Russians did not construct seagoing vessels; instead, their water-borne trade with Western Europe was carried exclusively in foreign bottoms. They eschewed shipbuilding partly out of inertia--Russia had no significant maritime tradition--partly, perhaps, out of the despair they felt about the prospects of participating effectively in West European markets. Kilburger and De Gron emphasized foreign trade when they prescribed programs for Russia, yet this was precisely the area in which the Russians contented themselves with a passive role. It is difficult to see how the relaxation of government control alone could have galvanized them into action, and enabled them to overcome their backwardness. Perhaps Kilburger was aware of this problem when he pointed to Muscovy's need of foreign specialists and the desirability of sending Russians abroad to study.

The problem of Russia's foreign trade relations involved not Europe alone; an analogous situation existed in its relations with the orient. Russian merchants traveled to Persia infrequently, and to India or other eastern lands practically never, choosing instead to trade with Indian and Armenian merchants at Astrakhan. These merchants performed the role of middlemen between Russia and the orient much as the Dutch, English, and German merchants did between Russia and the west. The matter of ocean-going craft was not an issue here, although Russia evidently lacked vessels capable of negotiating the Caspian Sea easily and safely. While the eastern countries experienced the commercial revolution of the middle ages no more than did Russia, their merchants may still have enjoyed certain advantages as a result of a long, uninterrupted history of commercial activity. At any rate, as a recent Soviet work has put it, "the Moscow merchants . . . proved less enterprising, and also less prepared for large foreign trade operations, than their experienced Indian competitors, with their wide connections throughout the Near East."¹⁷ The parallelism between Russia's relations with the west and the east causes us to wonder whether, in addition to other considerations, most Russian traders may have shunned foreign travel for religious or cultural reasons.¹⁸

The belief that Russia possessed a great untapped potential for profitable trade in the role it might play as intermediary between east and west must be examined too. In the first place, some Russian merchants recognized an opportunity here, and sought to cash in on it by trading oriental wares at Archangel and western products at Astrakhan or in Persia. The scale of this trade does not seem to have been very great, it is true, and there were those who thought it could be much increased.

However, it is well to recall that the tsars from time to time monopolized the trade in such oriental products as raw silk and rhubarb, but when they allowed others free access to the silk trade, this hardly produced a revolution in the pattern or volume of Russia's foreign trade.¹⁹

Indeed, it is probable that Kilburger and others greatly over-rated the potential for Russia of the intermediary role in trade between east and west. This may be inferred from information at our disposal concerning the efforts of a number of foreign trading companies to capitalize on Russia's geographical position to secure control of part of the east-west trade. The English Muscovy Company (1558-1584), a Holstein company (1634-1639) and an Armenian one based in Persia (1667-1673) all secured from the tsars the right to travel from Archangel across Russia to Persia and back (the reverse for the Armenians). The great expectations of each proved illusory, however. Unforeseen difficulties--whether climatic and navigational, the depredations of marauders, or the rapaciousness of government officials--conspired to produce losses rather than the gains anticipated, or profits insufficient to warrant continuation of the trade.²⁰ Nor were such disappointments restricted to foreign merchants alone. Russians who sent caravans to trade in Persia in the mid-seventeenth century suffered tremendous losses.²¹ Not to speak of other problems, so long as the tsars could not guarantee security on the middle and lower Volga, and the shahs in their domains, the prospects for development of this particular axis of east-west trade were far from auspicious.

The recommendations of Kilburger and De Gron left out of consideration some as yet unmentioned aspects of Russian society which militated against greatly expanded and accelerated economic development. They

somehow managed not to notice--or at least not to consider worthy of comment--that the mass of the population were serfs, living in an overwhelmingly natural rather than a commercialized economy. As serfs, the bulk of the population had little disposable income and, therefore, minimal purchasing power. As they also produced most of their subsistence requirements, demand for goods was bound to be weak, the market narrow, and the possibility of expanding it decidedly limited. These circumstances compounded the difficulties for the development of an easy, low-cost traffic already inherent in the dispersion of a relatively small population in Muscovy's immense territory.

Kilburger and De Gron, each in his way, anticipated the stimulation of native resource exploitation as one consequence of a more active foreign trade. In fact, Russian production of furs, potash, timbers, pitch, and other commodities had grown in response to foreign demand. Some further growth in the production of such goods, and a corresponding increase in commercial opportunities for Russian merchants, may have been within the realm of the possible. But, given the institution of serfdom and the political predominance of the landed-servitor class, the principal results were apt to be intensified exploitation of resources and the peasant labor force under the aegis of the landed class, continuing emphasis on the production of raw materials and foodstuffs, and a further degree of economic dependence upon the mercantile powers of Western Europe. In short, one could foresee the sort of economic development peculiar to Poland in the sixteenth century²²--and, with some significant variations, of Russia in the eighteenth--but not the emergence of a socio-economic order featuring the commercialization of the economy and the erosion of local self sufficiency, the decline of serfdom and the rise in importance and power of a bourgeoisie.

It may be objected that the line of argument advanced here is excessively bleak; that we have in effect foreclosed the possibility of significant Russian economic development in the era under consideration; that, in any case, our brief is contradicted by the impressive growth registered during the reign of Peter the Great. To these objections we reply: Firstly, of course, we believe that our seventeenth century observers did exaggerate Russia's potential for economic growth but, contrariwise, we will presently argue that they underestimated Russia's actual economic achievements. Secondly, as regards the foreclosure of possibilities, we have taken a skeptical view of the kind of economic development that Kilburger and his like seem to have projected for Russia, but not every kind. Thirdly, significant economic advances certainly were made in Peter's reign, but along quite different lines than the seventeenth century observers envisaged. Most importantly, the spurt of economic growth that occurred was stimulated not by government withdrawal from economic life but, on the contrary, by its more active involvement than ever.²³ In Peter's time, an incipient tendency to substitute the state for what was perceived as an insufficiently energetic commercial-industrial class became much more pronounced and conspicuous. The results are illuminating. Peter built Russia's first navy, and he helped to promote the construction under state or private auspices of the first elements of a merchant fleet. Oddly enough, however, while Russia sold some of the vessels it produced to West European entrepreneurs, Russian merchants still ventured abroad to trade infrequently.²⁴ Furthermore, so far as we know, in Peter's reign Russia did not succeed in aggrandizing its role as intermediary in the east-west trade to any great extent. The state itself was the most important industrial entrepreneur, and in large part to fill its own needs

for iron, weapons, ships, cloth for uniforms, and sails. Moreover, the new industrial sector was grafted onto a society still featuring autocracy, the predominance of the landed-servitor class, serfdom (the new industrial enterprises were manned by serfs!), an overwhelmingly natural as opposed to a commercialized economy, and a small class of commercial-industrial people who were of little socio-political significance.

A Limited Potential, Fairly Effectively Exploited

If we set aside as unfounded the view that Russia's potential for economic development in the Muscovite era was enormous, we ought to make some estimate of its actual opportunities and the degree of success with which they were exploited. These are difficult tasks hardly susceptible to precise solutions, partly because the sources are extremely limited and fragmentary, partly because of the large number of variables involved, partly because of subjective factors. Be that as it may, I would hypothesize that the Russians did not do badly, that is to say, they made a fairly successful adaptation, given the severe constraints within which they functioned. If their performance was less impressive than some Soviet writers would have us believe, it was a good deal more impressive than people like Kilburger implied. In making the case for a fairly successful exploitation by the Russians of a limited potential, we are obliged to rely upon the handful of Soviet studies of individual entrepreneurs and entrepreneurial families.²⁵ This presents no great problem, I believe, for on the whole these researches were carried out conscientiously; and, besides, the message they convey largely corresponds with my own findings in a study

of the gost' Vasilii Shorin. The Shorin case may be used both to illustrate Muscovite entrepreneurial activity, and as a point of departure for its further discussion. It may be of particular interest in that Shorin's business activity attained full flower at about the same time that De Gron, Krizhanich, and Kilburger articulated their ideas.

In the mid-seventeenth century Shorin (birthdate unknown, died 1678 or 1679) developed a business empire of imposing proportions.²⁶ He was first and foremost a merchant, although his business activity was not confined to commerce. A major participant in Muscovy's foreign trade, he or his agents dealt with Dutch and English merchants at Archangel, with oriental merchants at Astrakhan, and with representatives of both west and east at Moscow. To some extent he acted as a middleman for the exchange of goods between east and west, but certainly more significant was his role as a purveyor of native products to the foreigners. Furs appear to have been the single most important item he sold to both western and oriental merchants, but he also delivered such commodities as hemp, hides, and tallow to the westerners. On several occasions he sent caravans with thousands of rubles worth of goods to be traded in Persia, and he had plans for the development of trade relations with India. He was as well at least marginally involved in trade with Sweden by way of the Baltic.

Shorin's foreign trade surely constituted a principal element of his business activity, though it is impossible to say whether it predominated. In any case, his external trade required him to procure goods for sale to foreigners and to distribute the wares bought from them. Thus, he repeatedly purchased large numbers of fine furs from the "sable treasury" of the government's Siberian Chancellery (Sibirskii Prikaz), and in the major market at Velikii

Ustiug. His agents also traveled to Siberia to obtain furs directly from trappers or local jobbers. For these Siberian ventures, Shorin outfitted his agents with so-called Russian goods, a wide variety of foodstuffs, clothing and fabrics, and hardware (axes, weapons and the like) which were not produced in Siberia and consequently had to be "imported." The procurement of these Russian goods added another element of complexity to Shorin's operations. So did the disposal of such western luxuries as velvets, satins, damasks, vessels made of precious metals, and writing paper; items of wider use such as needles and inexpensive baubles; and raw silk (and perhaps spices and dyes) from the east. While Shorin sold some of these items wholesale to other merchants, he surely procured various luxury products for individual members of the court and Moscow's upper social strata. Moreover, he had a good many retail shops in Moscow's Kitaigorod section, and he may have had others in different parts of the capital or in other towns.

It should not be supposed that Shorin's domestic trade was merely an appendage to his foreign trade. In fact, he dealt wholesale and retail in a variety of commodities, notably salt, fish, leather and hides, and grain, whose procurement and distribution had either no relation at all, or at most an indirect one, to his foreign business. The lion's share of his internal trade appears to have been connected rather to productive enterprises that he developed or acquired. Shorin was a salt merchant as early as the 1630's, but in the course of his career he became the owner and operator of a number of salt-producing works. One was located at Kostroma, another at Sol' Velikaia, and the four salt-boiling units he ran at Sol'

Kamskaia made him one of the more important producers in the country's leading salt-extraction center.²⁷ For several decades, he controlled the three best weirs in the rich fishery on the Volga north of Astrakhan. Shorin sent quantities of fish up the Volga, and salt from his Sol' Kamskaia works by way of the Kama and Volga to the market at Nizhnii Novgorod, where he possessed a compound and storage facilities overseen by one of his agents. Portions of these products may have been sold at Nizhnii, while others were dispatched to other places. There are records of the sale of Shorin's salt at Moscow and Orel, of his fish in the capital and as far afield as Novgorod.

At Nizhnii, Shorin owned together with another merchant two works which processed hides into leather. The one about which we have some information was fairly impressive in size, boasting seven or eight buildings, employing perhaps twelve persons, and producing thousands of rubles worth of leather each year.²⁸ Shorin was also a landowner. He possessed two villages near Ustiug, which produced hay and grain crops, at least part of which were sold. He may have had other lands too, but in any case he was involved in the grain trade. He apparently owned a fleet of river-going vessels as well to carry his cargoes hither and yon. His carrying capacity must have exceeded his needs, for on occasion he contracted to ship boatloads of state grain down the Volga, probably for the provisioning of troops garrisoned in towns along the river. Parenthetically, it required a small army of people--peasant cultivators, fishermen, salt- and leather-workers, boatmen, warehousemen, salespeople, clerks, and the agents (prikazchiki) who oversaw different subdivisions of the whole--to sustain Shorin's business empire.

Finally, we know that Shorin was active as a moneylender, thanks to information available about a few loans which became the subject of litigation. He advanced sums to foreign merchants and native Russians alike, no doubt at the going rate of 20% interest per year. Shorin may also have extended small amounts, but the size of those we have run across is arresting. Around 1650, he loaned 2,000 rubles to an English merchant named Osborne. Earlier he had loaned 480 rubles to a court peasant, Artamon Sergeev, and later 2,555 rubles to a townsman-trader, Matvei Pershin.

These sums indicate that Shorin possessed a good deal of capital, and a few other figures may help to drive the point home. Shorin repeatedly purchased furs from the state or at Velikii Ustiug to the value of 4-5,000 rubles; he initiated trade ventures to Siberia worth thousands of rubles; and a caravan he sent to Persia reportedly suffered losses of over 17,000 rubles.²⁹ It is astonishing to learn that the large fur purchases, the loan to Osborne, a trade venture (with a partner) to Siberia with over 6,000 rubles worth of goods, the caravan to Persia, and the acquisition of the Sol' Kamskaia and the Kostroma salt works all occurred between the years 1647 and 1654. The tens of thousands of rubles of which Shorin disposed constituted a very considerable sum at a time when the entire state revenue came to no more than 1.3 to 1.5 million rubles per year.³⁰

What we have described, it must immediately be added, is based upon a record consisting exclusively of those surviving state papers which reflect the intersection of Shorin's activities with governmental authority. His business records, like those of just about every Russian entrepreneur of the sixteenth and seventeenth centuries, have not been preserved. Accordingly, the image we obtain of the number and scale of his business operations may be a good deal less than complete.³¹ More importantly, the surviving

documents provide only glimpses of the internal aspects of his operations. As is the case with other entrepreneurs of the period, therefore, we are unable to specify with any certainty or precision such vital matters as the dimensions of Shorin's capital at different points in time, the rates of profit he achieved--and his losses, the relative importance of different sectors of his business activity, the stages in the development of his interests and organization, and the manner in which the several components were coordinated and managed.

Nevertheless, Shorin's case surely demonstrates--contrary to Kilburger and others--that an entrepreneur could flourish in Muscovite Russia. But it also raises many questions, above all, how typical was Shorin, what does his activity tell us about the incidence and character of entrepreneurship in sixteenth-seventeenth century Russia? In as much as he was a great entrepreneur, by definition there were not many like him, but there was a larger number of substantial businessmen than may be supposed. The gosti, the top-level privileged merchant corporation to which Shorin belonged, averaged only thirty members throughout the seventeenth century. The second and third level privileged corporations, the gostinaia sotnia and the sukonnaia sotnia totaled from three to six hundred at different times (incidentally, most of those elected to all three groups were obliged to reside in Moscow).³² Appointment to these corporations went only to conspicuously active and successful men, although there were of course significant differences in wealth both among and within the three groups. In the provincial towns, the townsmen (posadskie liudi) were ranked according to affluence and the dimensions of their trade into luchshie, srednie, and molodshie. The first-named group, from whose number members of the privileged corporations were often recruited, included hundreds

of well-to-do persons; and even some of the srednie engaged in salt production, the grain trade, or other operations on a scale sufficient to warrant their inclusion in the ranks of the entrepreneurs. Finally, a considerable number of court, patriarchal, and monastery peasants who engaged in production and/or trade were also named to the gostinaia sotnia or the sukonnaia sotnia--a sure sign that these groups included numbers of substantial operators.³³ Although the data is far from complete, and though the numbers no doubt fluctuated through time, there are apt to have been as many as three thousand entrepreneurs active throughout much of the seventeenth century, probably fewer in the sixteenth.

There appears to have been no lack of rank and file townsmen--and peasants--who were alert to opportunities and tried to make the most of them. In salt-rich regions such as Sol' Kamskaia, local residents set up tens of extraction works on lands they occupied. In the seventeenth century, as many as 500 to 1,000 promyshlenniki came annually to the Enisei region of Siberia to make their fortune in furtrapping. In the Nizhnii Novgorod region, where grain was abundant, among those who produced liquor were everything from members of the gostinaia sotnia through posadskie liudi to landless peasants (bobyli). At Novgorod in the last half of the sixteenth century there were around 4400 craftsmen and 645 merchants, large and small; at Pskov, almost 1500 trade establishments (shops, warehouses, etc.). And, as Kilburger observed, the Russians' love of trade was manifest in the presence in Moscow of "more shops . . . than in Amsterdam or entire principalities."³⁴ Needless to say, though many were called few were chosen. But from among the large number of townsmen who engaged in small-scale trade or craft production, some of the more shrewd, energetic, able or lucky might expand and diversify their operations and move upward in the

merchant social order. Numbers of peasants (especially in the north, where serfdom penetrated slowly or not at all, and some who were dependents of monasteries) also ventured into trade, did well, and were advanced into the upper levels of the merchant class.³⁵ Despite the fact that movement from one social group to another was in principle prohibited in Muscovite society by the mid-seventeenth century, both before and after that time social mobility within the commercial-industrial community was conspicuous.

The history of the Shorin family is instructive in this regard. Vasilii's father was a gost', and of course this conferred definite advantages on him. But the privileged merchant corporations were not closed, hereditary groups. Vasilii was fortunate to inherit a considerable capital but he was designated a member of the gostinaia sotnia rather than a gost'. He might have remained that for the rest of his life or he might have squandered his substance and lost his status. He did neither, instead demonstrating the qualities which soon resulted in his promotion to the topmost rank. As a gost', Vasilii far surpassed his father in the range and dimensions of his entrepreneurial activity. On the other hand, one of his sons was utterly incompetent; and the other, who was also named a gost', had an indifferent career, which ended in insolvency. Such cases of downward mobility were by no means exceptional.

Shorin's business activity had much in common with that of other major Muscovite entrepreneurs; whether the Stroganovs, the greatest entrepreneurial family of the period, whom alone the tsars dignified with the status of imenitye liudi ([merchant] titled persons); other gosti such

Grigorii Nikitnikov, Nadeia Sveteshnikov, the Gur'evs, Filat'evs and Pankrat'evs; or members of the gostinaia sotnia like the Kalmykovs of Nizhnii Novgorod, the Reviakins of Ustiug, and Sergei Pogankin of Pskov.³⁶ All of these, and many another, engaged in both commercial and industrial activity, in foreign and domestic, and wholesale and retail trade. They had far-flung business interests, and large staffs to perform the many essential tasks. Most loaned money at interest and also possessed river boats to transport their goods. Although the similarities are more important, there were differences too. The Stroganovs had very large landholdings, while others had much less or none at all. If the operations of the Stroganovs, Shorin and others reached into almost every corner of the country, and involved almost every type of activity, those of others were more restricted. For example, gost' Gavriilo Nikitin was mainly involved first in the Siberian and then the China trade; the Ushakovs' activity was confined chiefly to Siberia, and that of the Kalmykovs to the Volga region and Astrakhan. The mix of enterprises differed from person to person too. Though they had varied interests, the Kalmykovs and the Ushakovs made their fortune principally by way of contracts to supply the government with fish, grain, liquor and beer. The Koshkins of Novgorod specialized in the importation of metals from Sweden. It is safe to say that the business of non-privileged entrepreneurs was similar in kind if smaller in volume than that of their privileged confreres.

Testimony to entrepreneurial vigor in the period is the recognition and exploitation of economic opportunities which arose thanks to such major contemporary developments as the spectacular territorial expansion of Muscovy and the concomitant growth of the state apparatus. The annexation by Moscow of Novgorod, Tver, Pskov, Smolensk, and Riazan between 1478 and 1517 vastly increased the area wherein productive activity and commerce could be carried on. Perhaps most significantly, the cession of the Republic of Novgorod gave Moscow control of the Pomor'e, an immense territory extending northeastward from Novgorod, which boasted rich fur, fish, and salt resources, navigable rivers, and access to the northern seas. The exploitation of these resources more intensively than ever before made the Pomor'e one of Muscovy's major economic hearths. The development of this region, and particularly the northern Dvina country, gained fresh impetus in 1553, with the opening by the English of a new sea route between Western Europe and Russia, and with Archangel (built 1584) becoming the most important center of an expanding trade with Western Europe.³⁷

With the conquest of Kazan and Astrakhan in the 1550's, Muscovy gained control of the entire course of the Volga, direct access to trade with oriental merchants at Astrakhan and in Persia, and the potential to become intermediaries in the exchange of goods between east and west. They also capitalized upon the resources of the lower Volga, among them fish, caviar, and salt.³⁸ Too, these conquests laid Siberia open to penetration, and it was subjugated by the mid-seventeenth century. Furtrapping grew by leaps and bounds in the sixteenth and seventeenth centuries, and furs became a more important item of trade than ever before.³⁹ The expansion of Muscovy

brought under its sway lands with varied climates and resources, whose exploitation and exchange (e.g. the grain and crafted articles of the central regions for the fish, salt, and furs of the north and Siberia) offered attractive prospects for gain. To a remarkable extent, the activity of Shorin and other Muscovite entrepreneurs was connected with the Pomor'e, the middle and lower Volga, and Siberia.

Finally, the satisfaction of the state's varied and growing needs offered further opportunities for enterprise. As Muscovy expanded, new military-administrative centers were established to govern conquered territories such as the middle and lower Volga and Siberia, and their populations had to be provisioned. Moreover, the government contracted with private persons to furnish it with such other requirements as grain, vodka for the state liquor monopoly, provisions for the army, and transportation services. Then too, and perhaps this was most important of all, lucrative opportunities existed in the filling of the needs of the capital. Moscow was not only the political but also the economic center of Muscovite Russia. It was at once the seat of the court, the location of the central government's offices and numerous personnel, the ecclesiastical headquarters, and far and away the most densely peopled place in the country. Though it was not larger than London, as is often asserted, with its population of 100,000 in the sixteenth century and 200,000 in the seventeenth, Moscow was one of the largest cities in Europe, and many times larger than such second-rank Russian towns as Iaroslavl' and Novgorod. Necessarily, great quantities of goods of all kinds flowed from every part of the country and from foreign parts, both western and eastern, to provision the capital. Moscow was also the most important center of exchange of goods coming from all parts of the country. The most important merchants resided there and, to a large extent, they directed the flow and profited from it.⁴⁰

There has been a great deal of rubbish written apropos Lenin's pronouncement on the formation of the all-Russian market as a result of the activity of the "capitalist-merchants." If this proposition is understood in a properly qualified way, however, it is difficult to see how it can be contested. As we have noted, in exploiting their respective natural resources, people in different parts of the country produced particular kinds of goods while they lacked others. Merchants took advantage of the situation to transfer goods from where they were produced to where they were needed, thus performing a service to producers and consumers alike, and netting gains in the process. In linking different parts of the country into a network of interdependent parts, they created markets where none had existed before, and they undoubtedly helped to stimulate the production of certain goods. The creation of an all-Russian market must be counted a major achievement of Muscovite entrepreneurship. This is not to say, of course, that the Russian economy became capitalistic in the seventeenth century. As we know, and as many Soviet scholars readily acknowledge, the economy remained overwhelmingly natural and self-sufficient, the dimensions of the market very narrow and impossible to expand beyond certain limits, and the great majority of the population had little or no connection with the market, either as sellers or buyers.⁴¹

A few other aspects or achievements of Muscovite entrepreneurship may be briefly noted. The decisions of entrepreneurs to invest in many different kinds of activity in widely separate parts of the country speaks for their flexibility and a willingness to take risks when profit lay in prospect. Along this line, it is noteworthy that as the fur yield from

Siberia declined in the later seventeenth century, leading merchants shifted away from the fur trade to trade with China, a new field for enterprise as Russia inaugurated relations with the Middle Kingdom.⁴²

Relative to business organization, a number of interesting cases of economic integration in Muscovite enterprise may be cited--and there surely were others. The Stroganovs, who began as salt producers, required all sorts of iron equipment for their works. As the equipment was expensive, they took to mining and smelting iron ore themselves, and soon met not only their own needs but produced a surplus of the metal which they sold. Shorin acquired the fish weirs on the Volga north of Astrakhan in 1646, and several years later the salt works at Sol' Kamskaia and Kostroma. Fish was a major item of the Russian diet, and a considerable share of it was fish preserved by salting. It is likely that Shorin secured the salt works as a means to save on salt used in preserving his fish. The Kalmykovs' main effort went into contracts with the government to provide fish and grain. As the shipment of these commodities was of the first importance, they presently established boatbuilding wharves in a number of towns to provide the necessary conveyances. Just before he died, Klim Kalmykov, who "feared to let slip any opportunity to secure advantage," was looking into the use of mash, a by-product of liquor production (in which he had major interests), as cattle feed. All those mentioned, and many another, engaged in moneylending as an adjunct to their other activities. In particular, they advanced mortgage loans or assumed sureties on loans which others contracted, with an eye to prospective advantage; then, if the loans were not paid off, the creditors obtained properties they envisaged as complementary to their business interests.⁴³

Even the briefest account of Muscovite entrepreneurial activity would be very misleading if it did not give due attention to the relation between the entrepreneurs and the government, and more particularly the role of government favor. Given the pretensions of the tsars to unlimited power and to proprietorship of the country and its resources, an entrepreneur or a would-be entrepreneur, whatever his abilities, could not go far unless he enjoyed the government's approbation. Government favor was bestowed upon those who had rendered appreciable services or to men on the way up who were likely to do so. In extraordinary cases--the Stroganovs and the Gur'evs come to mind--a family (or an individual) at its own expense had equipped and made available military contingents, taken part in the conquest of a territory, or built a frontier fort. They, as well as others, might have made large monetary contributions or loans to the treasury, or consistently paid very high taxes.⁴⁴ More commonly, they served the tsars as factors, tax assessors and collectors, and officials in branches of the administration concerned with finance and commercial-industrial affairs.

For its part, the government had a wide range of benefits to distribute, whether formally (i.e., to members of the privileged corporations) or informally. Those designated gosti had the right to travel abroad (although almost none did). They and the members of the gostinaia sotnia, alone among the merchants, could own land. These groups were freed from certain tax levies and other responsibilities incumbent on the townsmen generally, they were not to be molested by local officials, and if they became involved in litigation they were to receive special judicial treatment.⁴⁵ Of course some of these privileges might be economically advantageous, but other,

informal, benefits to which they and other substantial merchants had access may have counted more heavily. The tsars made extensive land grants to some merchant families, with the Stroganovs far and away the most handsomely endowed.⁴⁶ It granted rights to exploit such resources as salt deposits, fisheries, and forests, sometimes as a boon but more usually in return for an annual payment to the treasury. The government let contracts to merchants to provide it with large quantities of vodka and beer, grain and fish for the capital, various military-administrative outposts, and the army. How lucrative such engagements might be is evident from this: the Kalmykovs paid subcontractors 8 altyns, two den'gi for a small bucket (vedro) of liquor, which they then sold to the government for 15 altyns the bucket.⁴⁷ The government occasionally paid subsidies for the searching out of natural resources--metals and salt--for exploitation; and it also made available a kind of commercial credit, of which more later.

Entrepreneurs zealously competed in currying favor, and winning it definitely was an ingredient of entrepreneurial success. In Shorin's case, we either know or strongly suspect that the large fur purchases he made from the treasury, the lease he secured on the Volga fish weirs, his acquisition of some of the Sol' Kamskaia salt works, and the trade caravan he sent to Persia in 1651 all were done with the government's blessing and/or aid. Moreover, there is reason to believe that because he was well-connected with high-ranking officials he was shown forbearance when he became involved in financial difficulties. The role of government favor is apparent in each and every case study of a successful Muscovite entrepreneur that we possess.

In addition to land grants, exploiting rights, contracts, and loans, there was another kind of government aid which the merchants sought. They rightly viewed foreign merchants as a threat to themselves, particularly since the tsars had bestowed special privileges on some of them. It was not that the Russians wanted reciprocal rights abroad, for they felt incapable of making such rights effective. Rather, they strove to exclude foreign merchants from Russia's domestic market for their own benefit. They began as early as the 1560's with informal requests, which were satisfied, to bar the English merchants of the Muscovy Company from retail trade within the country, from the resale in Russia (and probably in Persia) of goods they bought there, and from the employment of Russians to buy, sell, and exchange goods for them. By the mid-1580's, they secured the cancellation of much of what remained of the extraordinary privileges earlier granted the English Muscovy Company--its monopoly of trade with Russia at the White Sea, and the right to send agents across Russia to trade with Persia. And their influence surely worked to block the grant of such rights to the Dutch, who then began to replace the English as Russia's most important West European trade partner. Then they escalated their demands, and began to call for the restriction of all foreigners to trade at the country's frontiers.⁴⁸ In the seventeenth century, the merchants carried on a protracted petition campaign which won them a measure of tariff protection and in the New Trade Charter of 1667, the apparent fulfillment of their primary objective vis à vis the foreign merchants.⁴⁹

The Policy of Accommodation and Its Consequences

We have argued that conditions in Muscovite Russia did not afford so great a potential for mercantile activity, and for privately initiated

economic growth generally, as many have supposed; that opportunities were in fact severely limited by a whole series of circumstances; and that, all things considered, Russian entrepreneurs made a respectable showing. Operating in a country whose government asserted a proprietary right to all natural resources and itself engaged in a good deal of commercial-industrial activity, they managed to initiate, promote, or support private exploitation of most of the then accessible resources, and to secure control of the greatest part of the trade. Functioning under a government embarked upon an extraordinary territorial expansion, they proved adept at developing or capitalizing upon industrial and commercial opportunities in newly conquered regions. Living in an immense country with a very low population density, a country, moreover, whose economy was overwhelmingly natural and self-sufficient, they not only found and exploited opportunities for trade but even linked the widely separated regions of the country into an all-Russian market of sorts. The organization, financing, and transportation of this country-wide trade was no mean achievement.

The small dimensions of the market were offset in some degree by foreign trade and the growth in the needs of the state, whose aspirations and apparatus expanded greatly in the period. Muscovite merchants undertook with alacrity the filling of these varied needs, and reaped the gains this activity made possible. Some of them also took advantage of their close association with the government to increase their capital by diverting state funds to their own pockets.⁵⁰ In carrying out these diverse activities, they made effective use of the river network, built vessels appropriate to their requirements, and business organizations which, whatever their shortcomings, made possible the running of much ramified enterprises.⁵¹ Finally, though evidently incapable of competing in foreign markets, they did not suffer so badly on that account. The government was sufficiently

responsive to their needs, and of course powerful enough, to prevent any one country from monopolizing Russia's foreign commerce and setting grossly unjust terms of trade. Besides, what Russia's merchants may have lost because of their non-participation in foreign markets was at least partly made up by their rather successful struggle to exclude foreigners from participation in Russia's domestic market. In the age of mercantilism, we should note, Muscovy consistently enjoyed a favorable balance of trade and an inflow of silver.⁵²

Despite their economic achievements, which of course required energy, boldness, and skill, the Muscovite merchants were basically wedded to a policy of accommodation. To be sure they took risks in the pursuit of profit, but always within well-defined limits, which they generally neither challenged nor tried to transcend. They never disputed the proprietary claims of the state to the country's resources, nor pressed for group autonomy, local self-government, or a voice in the affairs of state. They never even campaigned for recognition of that most fundamental requirement of orderly and sustained business activity--security of property. Nor did they challenge the servitor-landowner class,⁵³ whose predominance ensured the prevalence of policies--for example, the binding of the peasants--which were inimical to their own interests. They did not see fit either to challenge the foreign merchants' considerable control of Russia's external commerce, and attempt to shift from a passive to an active trade. Rather than confront established institutions, traditions, and forces, the Russian merchants maneuvered around, over, and between these obstacles, to maximize their opportunities, status, and security.

Why they so behaved is not difficult to surmise. How could a smallish group, and an unorganized one at that, oppose itself to the powerful state, to the servitor class, or to a combination of the two, for they were apt to join forces in the face of a threat from a third party. The very idea of principled opposition may have scarcely occurred to the upper-level merchants. Unlike some merchant groups in the west, they had no tradition of political involvement or struggle and, anyhow, they had some reason to think of themselves as beneficiaries of the established order. On one occasion (1584-6), a number of them plunged into a political conflict and paid for their audacity with their lives,⁵⁴ an experience which must have powerfully reinforced the merchants' already strong inclination to political passivity. As regards competition in foreign markets, the Russians apparently envisaged the disparity between themselves and foreign merchants as so awesome that they despaired of overcoming it through an offensive strategy, and fell back instead on a policy of seeking exclusive control of the home market. In general, then, the Muscovite merchants took the path of accommodation because their traditions, outlook, numbers, and social position virtually precluded an alternative course. Besides, the risks involved in contrary policies were incomparably greater than the prospects of success.

To appreciate the latter point, one must be aware of the considerable hazards incurred by anyone who did business within the limits set by Muscovite conditions. Most of those who cast their bread upon the water failed to make good, while a much smaller number built more or less impressive enterprises and fortunes. Even for this last group, however, success was often but the prelude to a dramatic collapse. This fate befell the

Kalmykovs three to four decades after the beginning of their ascent to prominence. Despite Vasilii Shorin's accomplishments and stature, his business empire declined in his later years. As for his son Mikhail, he presently became insolvent, and the government forthwith confiscated his property.⁵⁵ Apropos the gosti generally, as I have elsewhere demonstrated, the chances that a member-family would maintain its standing for more than a single generation was only one in four, for more than two generations no better than one in fifteen.⁵⁶ Almost none of the great seventeenth century merchant families survived as such beyond the reign of Peter the Great. Even if lesser entrepreneurs incurred lesser risks and consequently had better survival chances--a plausible if unproven proposition--their risks were still considerable.

Big merchants were often ruined by such accidents as fire or shipwreck, for no such thing as insurance existed. Or their trade caravans fell prey to marauders in such areas as the middle or lower Volga or Siberia, which the state was incapable of policing effectively.⁵⁷ Occasionally, urban disturbances in more established parts of the country led to the victimization of more affluent merchants by resentful rank and file townsmen. Judging by Shorin's experience, the incidence of non-fulfillment of obligations in the business community--both repayment of loans and delivery of goods according to contract--was distressingly high, and the tissue of commercial relations accordingly fragile and unstable. Similarly, if as Supple has emphasized, uncertainty and insecurity stemming from inadequate information, discontinuity of markets, and the like, were hallmarks of commercial life in the far more developed west in this era, one can imagine how significantly such disabilities figured in Muscovy.⁵⁸

It should be added, perhaps, that spying, informing, vindictive frameups, and unscrupulous business practices, partly encouraged by the government-instituted surety system, added further hazards to the conduct of business.⁵⁹ The fact that the usual rate of interest was 20% per year at a time when it stood at 4% in Holland and 8% in England testifies eloquently to the high risks and insecurity involved in doing business in Muscovy.⁶⁰

The government was of course an important part of the problem. It saddled the more successful entrepreneurs with burdensome service obligations which were bound to affect their private affairs adversely. It exacted special contributions (tenth- and fifth-pennies) or services in time of war or other emergencies--and they were all too frequent--which cut significantly into the merchant's substance.⁶¹ From year to year it increased the charges for the right to exploit different resources, thus reducing profits and sometimes driving private entrepreneurs out of the field altogether. It not only competed with private businessmen in certain industrial and commercial activities, but it had no compunction about expanding its operations at their expense when it was hard pressed financially, as during the thirteen-year war with Poland (1654-67) and the Great Northern War.⁶² It was prone to insist inflexibly on punctual and exact fulfillment of obligations merchants contracted vis à vis the state, and to confiscate their property if they failed. It was apt to do so regardless of extenuating circumstances such as harvest failures or its own sometime practise of paying for goods or services with other commodities, which a contractor might not be able to dispose of at a profit. In general, though the government extended privileges to the upper merchant strata, their value was much diminished by the burdens it imposed,

and by other practises it engaged in which contributed to the instability of merchant fortunes. Given the numerous hazards inherent in business activity in Muscovy, it is no wonder that entrepreneurs were conservative, cautious, wary of undertakings which would make them yet more insecure; in short, no wonder that they embraced a policy of accommodation.

But did a policy of accommodation have to be a policy of complete immobilism? There was a striking contrast between the wide geographical range and the dimensions of Russia's trade and the relative primitiveness of its business methods. Russian merchants were bound to recognize the advantages that foreign merchants enjoyed because--not to mention other things--they possessed seagoing ships, they organized themselves into companies, and (whether they recognized this is more problematical) they had banking and credit facilities. Granted that it was impossible for them to plunge immediately and massively into trade abroad, especially with Western Europe, might they not, without great risk, have taken steps gradually to overcome their backwardness, and to prepare for a later successful challenge? One would think so, but they did nothing of the kind: the Muscovite merchants apparently had little desire to learn from their competitors. Some discussion of this perplexing problem is clearly in order, although we are unlikely to come out with an entirely satisfying explanation.

The taking of steps gradually to overcome their backwardness would have required time, planning, and cooperative action. However, conditions in Muscovite Russia militated against long-term strategies and cooperative endeavors. A long-term strategy is thinkable only in an environment which affords security of property, reasonable assurance of fulfillment of

expectations, and, conversely, little likelihood of arbitrary interference in private economic affairs. None of these conditions obtained, and, accordingly, Muscovite entrepreneurs were inclined to eschew long-term planning in favor of the pursuit of short-term advantage. In this, they were at one with their government, which paid little attention to economic development while striving everywhere and always to increase the immediate flow of revenue to the treasury.

As regards cooperative endeavor, which obviously would have been necessary for the formation of companies, the establishment of banking, and the building of a merchant fleet, in the main the Muscovite merchants were alien to it. Their behavior on this score is explicable partly on historical grounds, partly in terms of contemporary circumstances. Except in Novgorod in earlier centuries, Russian merchants simply had no experience of group organization and collective action. They had not formed guilds, the organizations which played so large a part in the socio-economic evolution of the west, and served as forerunners to the trading companies.⁶³ This is not to say that Muscovite merchants were totally opposed to any kind of cooperation. In fact, there is evidence that two or more of them sometimes pooled their resources in order to make possible the launching of some venture, and they also loaned money to one another, or signed as guarantors of loans contracted by other parties. Politically, as we know, they collaborated in efforts first to diminish advantages foreigners enjoyed in Russia, and then to exclude them altogether from the Russian domestic market. But they went no farther.

When merchant organizations came into being--the reference is to the gosti, gostinaia sotnia, and sukonnaia sotnia--it was at the initiative of the government and for its purposes.⁶⁴ Nor, once they were constituted, did the privileged merchants utilize their organizations as a springboard for joint economic endeavors; or, except for the campaign against the foreign merchants, to promote their interests through political channels. In 1620, when the government solicited their views on an English proposal to help develop Russian resources and to enter into joint commercial operations, they reacted negatively, asserting, among other things, "they act in concert, and we cannot do so." When, in 1699, Peter I published a decree urging the merchants to join together in companies, the better to exploit commercial opportunities at Archangel, Astrakhan, and Novgorod, his plea fell on deaf ears.⁶⁵ Perhaps other reasons also figured, but the merchants' disinclination to form companies stemmed principally in the first case from their sense of inferiority to West European merchants, and a consequent fear of being bested in any joint endeavor; and in both cases, from their perception of the government and its relation to them. As a number of foreign observers suggested, the merchants sought to conceal their wealth from a government which unceremoniously laid hands on the substance of others in time of need. They refrained from organizing trading companies because to do otherwise would attract attention and invite trouble.⁶⁵

In the area of banking and credit, where there is general agreement that Russia was sadly deficient, the situation exhibits some other interesting features. Banks did not exist and credit may have been in short supply,

but it was certainly not completely unavailable. Monasteries, landed magnates, merchants both native and foreign, and the government all made loans or extended credit to Muscovite merchants. The fact that many merchants loaned money to others may even raise doubts about the allegedly desperate shortage of capital and credit; or may the explanation be that moneylending was one of the safest investments?⁶⁷ In the abstract, an established system of banking would no doubt have been more advantageous in many ways, but even if they had had the resources, the merchants would have been no more enthusiastic about creating banks than trading companies, and for the same reason.

In the absence of private initiative in this sphere, the government substituted itself and rendered positive services. It allowed upper-level merchants to take fine furs from the treasury, and pay for them later with interest. When it let a contract to a merchant to provide one good or another, he was given an advance on future delivery. Now and then, it granted or loaned a sum to a person to enable him to search for metal ores, salt deposits, or other resources for exploitation. In all this the government acted as a kind of commercial and industrial investment bank:⁶⁸ the tsar was not only the country's "first merchant," as foreign observers repeatedly remarked, but also its chief banker. The merchants undoubtedly prompted the government to give these kinds of assistance. They took the state's enormous power as a given and, within narrow limits, sought to have it serve their needs. The government for its part could be forthcoming when there was something pretty surely to be gained and almost no prospect of loss. In the process, however, the merchants made themselves hostages to fortune; once institutionalized, these arrangements reinforced the power of the state and their own dependence.

Because of the peculiar history of commerce, towns, and traders in Russia, the merchants entered the Muscovite era as a small, powerless, and markedly backward group relative to their opposite numbers in Western Europe. Within the scope that unfavorable demographic, economic, social-structural and political circumstances allowed, successive generations of Muscovite entrepreneurs demonstrated considerable resourcefulness, and succeeded in advancing the country's commercial development to a respectable extent.

They achieved a good deal less in industry, a realm of undoubted importance, which considerations of space have obliged us to slight. The number of salt and iron works increased, the amalgamation of smaller enterprises into larger proceeded apace, and production increased. (Textile production remained primitive.) But little technological advance was registered, except for what was introduced by foreign entrepreneurs. The English established rope factories in the sixteenth century, and nationals of other north European countries set up a number of iron works in the seventeenth. Although they pressed insistently against foreign commercial enterprise, Russian businessmen waged no campaign against foreign industrial activity in Muscovy.⁶⁹ They did not probably because they were disinclined to follow the lead of the foreigners and either did not establish competing native enterprises or those that they did were too small to meet demand. Therefore, they had no reason to call for the exclusion of foreign industrialists, yet Russia also came nowhere near to closing the technological gap between itself and the west.

If Russian entrepreneurs managed to promote commerce, they made no significant moves to transform the environment into one with diminished constraints and risks, one more supportive of commercial-industrial

activity. They took the path of caution and conservatism even with respect to business methods, showing little interest in learning from their more advanced competitors. But they should not be blamed overmuch. To transcend their backwardness would have required a bold, determined, energetic, and protracted effort, supported and nurtured in every way possible by the state. The state was not everywhere and always unhelpful, as we have seen, but on balance it figured more as a menace to merchant interests, and therefore it tended to inhibit any aspirations to progressive change which might have appeared. Of course, the state did not deliberately contrive this end, it simply did what came naturally. However, the lamentable results--the obliteration of the upper strata of the Muscovite merchantry and the perpetuation of a narrowly circumscribed scope for commercial-industrial activity under private auspices--were not the fault of the state alone.

Just as the conduct of the merchants was conditioned by the character of the state, so to no small extent the behavior of the state was conditioned by the backwardness of Russian socio-economic development in general, and of commerce and the merchantry in particular. If Russia's development had not lagged so far behind, its government would no doubt have been correspondingly less autocratic and patrimonial in character. Failing that, those features became increasingly pronounced. The Muscovite state was incapable of effective and sustained support to private initiative, it therefore could not avoid perpetuating and even deepening relatively the backwardness of the private sector; and, by way of compensation, further enhancing its own role in the country's economic life. Even the great Peter could find no way out.⁷⁰

¹Giles Fletcher, Of the Russe Commonwealth, eds. Richard Pipes and John V.A. Fine Jr. (Cambridge, Mass., 1966), pp. 22v, 41, 45v-47; B. G. Kurts, ed. Sochinenie Kil'burgera o russkoi trgovle v tsarstvovanie Alekseia Mikhailovicha (Kiev, 1915), p. 87; Iu. Krizhanich, Politika (Moscow, 1965), pp. 382-420, 482-3. On the prevalence in the seventeenth century of the belief that God had so distributed resources over the earth as to promote trade, see Jacob Viner, The Role of Providence in the Social Order (Princeton, 1972), chapter 2.

²Illustrative is the recent work of Richard Pipes, Russia under the Old Regime (New York, 1976), chap. 8.

³M. N. Pokrovskii, Russia in World History, trans. Roman and Mary Ann Szporluk (Ann Arbor, 1970), pp. 70-2. Pokrovskii's views are elaborated more fully in the closing chapters of his Russkaia istoriia s drevneishikh vremen, 3rd ed., 4 vols. (Moscow, 1920), I.

⁴Perekhod ot feodalizma k kapitalizmu v Rossii (Moscow, 1969). For a discussion of this "new current," see Samuel H. Baron, "The Transition from Feudalism to Capitalism in Russia: A Major Soviet Historical Controversy," American Historical Review, 77, No. 3 (June, 1972).

⁵Jacqueline Kaufmann-Rochard, Origines d'une Bourgeoisie Russe (Paris, 1969); Joseph T. Fuhrmann, The Origins of Capitalism in Russia (Chicago, 1972); Paul Bushkovitch, "The Merchant Class of Moscow, 1580-1650," Doctoral dissertation, Columbia University, 1975. These several works are quite different in focus and approach.

⁶Samuel H. Baron, "The Weber Thesis and the Failure of Capitalist Development in 'Early Modern' Russia," Jahrbücher für Geschichte Osteuropas, 18, No. 3 (September, 1970); "Vasilii Shorin: Seventeenth Century Merchant Extraordinary," Canadian-American Slavic Studies, VI, No. 4 (Winter, 1972); "Who were the Gosti?", California Slavic Studies, VII (1973); "The Fate of the Gosti in the Reign of Peter the Great," Cahiers du Monde Russe et Soviétique, XIV, No. 4 (October-December, 1973).

⁷Barry Supple, "The Nature of Enterprise," in Cambridge Economic History, 5 vols. (Cambridge, 1941-77), V.

⁸Kilburger, pp. 87-90, 148-50, 152-3. As the next pages of this paper constitute a critique of Kilburger, attention may also be called to my critique of Fletcher's representation of the merchantry in "Ivan the Terrible, Giles Fletcher, and the Muscovite Merchantry: A Reconsideration," forthcoming in the Slavonic and East European Review.

⁹De Gron's project is printed, though wrongly identified, in A. Viskovatov, Kratkii istoricheskii obzor morskikh pokhodov russkikh i more-khodstva ikh voobshche do iskhoda XVII stoletia (St. Petersburg, 1864), pp. 165-70. It is discussed in N. Baklanova, "Ian de Gron, prozhektor v moskovskom gosudarstve XVII veka," Uchenye zapiski Instituta istorii RANION, IV (1929), 109-22. Krizhanich (p. 540) also called attention to Russia's shipbuilding capability and the benefits its development would confer.

¹⁰Samuel H. Baron, trans. and ed., The Travels of Olearius in Seventeenth Century Russia (hereafter, Olearius), (Stanford, 1967), p. 200n.

¹¹Richard Pipes (op. cit.) is the most recent of a long line of historians of Russia who have emphasized the patrimonial character of the Russian regime.

¹²V. O. Kliuchevskii, Sochineniia, 8 vols. (Moscow, 1956-59), III, 267; A. I. Pashkov, Istoriia russkoi ekonomicheskoi mysli (Moscow, 1955) I, Part I, 230.

¹³Ordyn-Nashchokin argued against sacrificing the welfare of the people to the interests of the fisc. He believed that the state should assist and cooperate with entrepreneurs, while allowing them great freedom of initiative. See the article on Nashchokin in Russkii biograficheskii slovar', 12, esp. pp. 289-94; E. V. Chistiakova, Sotsial'no-ekonomicheskie vzgliady A. L. Ordyn-Nashchokina (Voronezh, 1950), pp. 15-40; Pashkov, 214-17, 226.

¹⁴Thus in the 1660's, when the government was in dire financial straits, it deliberately set out to increase state revenues by establishing a massive economic empire directly under its own control. A. I. Zaozerskii, Tsarskaia votchina XVII v., 2nd ed. (Moscow, 1937).

¹⁵Robert S. Lopez, The Commercial Revolution of the Middle Ages, 950-1350 (Englewood Cliffs, N.J., 1971).

¹⁶I have dealt with this question in a paper, "The Muscovy Company, the Muscovite Merchants, and the Problem of Reciprocity in Russian Foreign Trade," to be published in Forschungen zur osteuropäischen Geschichte.

¹⁷Russko-Indiiskie otnosheniia v XVII v. Sbornik dokumentov (Moscow, 1958), p. 13. The entire introduction to this collection of documents is germane to our discussion. Considerations of space prompt us to leave out

of account Russia's trade relations with China, which had its beginning in the mid-seventeenth century.

¹⁸On prohibitions against and inhibitions of contact between Russians and West Europeans, see Samuel H. Baron, "The Origins of Seventeenth Century Moscow's Nemečkaja Sloboda," California Slavic Studies, V (1970).

¹⁹Sočinenie Kil'burgera, pp. 150-51.

²⁰T. S. Willan, The Early History of the Russia, 1553-1603 (Manchester, 1956), pp. 149-55; Olearius, pp. 5-11; Baron, "Vasilii Shorin: Seventeenth Century Merchant Extraordinary," *supra*, n. 6, pp. 530-1.

²¹Russko-Indiiskie otnosheniia v XVII veka, No. 55; S. M. Solov'ev, Istoriia Rossii s drevneishikh vremen, 30 vols in 15 (Moscow, 1959-66), VI, 572.

²²Jerome Blum, "The Rise of Serfdom in Eastern Europe," American Historical Review, 62, No. 4 (July, 1957); Marian Malowist, "Poland, Russia, and Western Trade in the 15th and 16th Centuries," Past and Present, 13 (April, 1958); Immanuel Wallerstein, The Modern World System (New York, 1974), chap. 6.

²³Peter's encouragement to the merchants to form trading companies (1699) and establish industrial enterprises (1702) met with little or no response. See Baron, "The Fate of the Gosti in the Reign of Peter the Great," *supra*, n. 6, pp. 502-3; Alexander Gerschenkron, Europe in the Russian Mirror (Cambridge, 1970), pp. 69-81; N. I. Pavlenko, "Torgovo-promyshlennaia politika pravitel'stva Rossii v pervoi chetverti XVIII veka," Istoriia SSSR, 1978, No. 3. For a somewhat different view, see Arcadius Kahan, "Entrepreneurship in the Early Development of Iron Manufacturing in Russia," Economic Development and Cultural Change, X, No. 4 (July, 1962).

²⁴N. N. Repin, "Kommercheskoe sudostroenie v Rossii v kontse XVII-pervoi polovine XVIII veka," Voprosy istorii, 1978, No. 1.

²⁵S. V. Bakhrushin, "Torgi gostia Nikitina v Sibiri i Kitae," Nauchnye trudy, 4 vols. in 5 (Moscow, 1952-9), III, Pt. 1; the same author's treatment of Sveteshnikov and the Gur'evs in "Promyshlennye predpriatiia russkikh torgovykh liudei v XVII v.," ibid., II; and of a Novgorod entrepreneur family, "Torgi novgorodtsev Koshkinykh," ibid.; E. Zaozerskaia, "Vologodskii gost' G. M. Fetiev (Iz byta torgovykh liudei XVII v.)," Zapiski istoriko-bytovogo otdela Gosudarstvennogo Russkogo Muzeia, No. 1 (1929); V. Geiman, "Solianoi promysel gostia I. D. Pankrat'eva v Iarenskom uezde v XVII veke," Letopis' zaniatii Arkheograficheskoi Kommissii za 1927-1928 gg., Vyp. 35 (Leningrad, 1929); K. V. Bazilevich, "Kрупное торговое предприятие (Босовых) в Московском государстве в первой половине XVII века," Izvestiia Akademii Nauk SSSR. Otdelenie obshchestvennykh nauk, Seriya 7, No. 4 (1932); N. A. Baklanova, "O datirovke 'Povesti o Savve Grudtsyne'," Trudy Otdela drevne-Russkoi literatury. Institut Russkoi Literatury, 9 (1953); the same author's Torgovo-promyshlennaia deiatel'nost' Kalmykovykh vo vtoroi polovine XVII v. (Moscow, 1959); V. A. Aleksandrov, "Sibirskie torgovye liudi Ushakovy v XVII v." in N. V. Ustiugov et al, eds., Russkoe gosudarstvo v XVII veke (Moscow, 1961); A. A. Vvedenskii, Dom Stroganovykh v XVI-XVII vekakh (Moscow, 1962); E. S. Ovchinnikova, Tserkov' Troitsy v Nikitnikakh (Moscow, 1970) chap. 1; M. Ia. Volkov, "Khoziastvo kapitalista-kuptsa Srednogo Povolzh'ia I. A. Mikliaeva v kontse XVII-pervoi chetverti XVIII v.," in S. D. Skazkin et al, eds., Problemy genezisa kapitalizma (Moscow, 1970). See also the data on entrepreneurs in northern Russia in the last half of the sixteenth century in N. E. Nosov, Stanovlenie soslovno-predstavitel'nykh uchrezhdenii v Rossii (Leningrad, 1969), pp. 240-84.

²⁶All the data in this sketch are drawn from my article, "Vasilii Shorin: Seventeenth Century Merchant Extraordinary," supra n. 6.

²⁷On this, see N. V. Ustiugov, Solevarenaia promyshlennost' Soli Kamskoi v XVII v. (Moscow, 1957).

²⁸With respect to the last point, the evidence is not entirely clear. See "Vasilii Shorin," pp. 513, 516, and note 40.

²⁹At one point, he owed the state treasury over 28,000 rubles. Ibid., p. 533.

³⁰For figures on the state revenue, see Kliuchevskii, III, 235-6; Raymond Fisher, The Russian Fur Trade, 1500-1700 (Berkeley and Los Angeles, 1943), pp. 118-9. Kliuchevskii estimated that the seventeenth century ruble was worth seventeen times that of the late nineteenth century. Others have criticized his method, but we seem to have no better estimate.

³¹Parenthetically, the state of the sources explains our frequent resort to conjectural language in the foregoing account.

³²According to a document of 1649, there were 600 during the reign of Fedor Ivanovich (1584-98) and 274 in 1649. The reasons for the decline in numbers is not at all clear, but it continued. By 1710-13, the gostinnaia sotnia numbered around 100, and the sukonnaia sotnia no longer existed. See Dopolnenie k aktam istoricheskim, 12 vols. (St. Petersburg, 1846-75), III, No. 47, p. 59; M. Ia. Volkov, "Formirovanie gorodskoi burzhuzii v Rossii XVII-XVIII vv.," in Goroda feodal'noi Rossii (Moscow, 1966), p. 185; Tsentral'ny Gosudarstvennyi Arkhiv Drevnikh Aktov (hereafter TsGADA), Knigi Denezhnogo Stola, 1710, Nos. 153, 154.

³³Scattered data show sixteen luchshie liudi at Iaroslavl' in 1614, seventeen at Ustiug in 1623-6, and eighteen at Pskov in 1665. See O. P. D'iakonov, "Posadskaia obshchina g. Iaroslavlia v pervoi polovine XVII veke," Uchenye zapiski Iaroslavskogo Gosudarstvennogo Pedagogicheskogo Instituta, Vyp. IX (XIX), 1947; Ustiugov, pp. 56-7; V. A. Bogusevich, "Pskovskie kuptsy XVII v. Rusinovy," Novgorodskii istoricheskii sbornik, Vyp. 8, 1940, p. 40. Examples of non-luchshie liudi who evidently ran substantial enterprises are found in Ustiugov, pp. 56-7; Goroda feodal'noi Rossii, p. 379. On substantial traders who were dependents of ecclesiastical or secular magnates, see Istoriia Moskvy, 6 vols. (Moscow, 1952-9), I, 459-60; II, 72-3.

³⁴Ustiugov, pp. 41-62; V. A. Aleksandrov, "Rol' krupnogo kupechestva v organizatsii pushnykh promyslov i pushnoi trgovli na Enisee v XVII v.," Istoricheskie zapiski, 71 (1962); Baklanova, Torgovo-promyshlennaia deiatel'nost' Kalmykovykh, 106; Bakhrushin, I, 142, 144-5; Sochinenie Kil'burgera, p. 88.

³⁵Nosov, pp. 240-84; Bakhrushin, "Torgovye krest'iane v XVII v.," Nauchnye trudy, II. The Kalmykovs were monastery peasants.

³⁶A good deal of information on the Reviakins occurs in A. Ts. Merzon and Iu. A. Tikhonov, Rynok Ustiuga Velikogo v period skladyvaniia vserossiiskogo rynka (XVII vek) (Moscow, 1960). On Pogankin, see E. V. Chistiakova, "Pskovskii torg v seredine XVII v.," Istoricheskie zapiski, 34 (1950), 226-30.

³⁷See Nosov, pp. 240-84 on the development of the Pomor'e; on the development of the Archangel trade, S. Ogorodnikov, Ocherk istorii goroda Arkhangel'ska v torgovo-promyshlennom otnoshenii (St. Petersburg, 1890);

N. Baklanova, "Privoznye tovar⁴ v Moskovsom gosudarstve vo vtoroi polovine XVII veka," in Ocherki po istorii trgovli i promyshlennosti v Rossii v 17 i v nachale 18 stoletia (Moscow, 1928); B. N. Floria, "Torgovlia Rossii so stranami zapadnoi Evropy v Arkhangel'ske (konets XVI-nachalo XVII v.)," Srednie veka, vyp. 36 (1973); Bushkovitch, op. cit.

³⁸ A good deal of interesting material on the salt and fish industries is given in two articles by I. V. Stepanov: "Khoziaistvennaia deiatel'nost' Moskovskogo pravitel'stva v nizhnem Povolzh'e v XVII veke," Uchenye zapiski Leningradskogo Gosudarstvennogo Universiteta, Seria istoricheskikh nauk, Vyp. 5 (1939); "Organizatsiia solianyykh promyslov v nizov'iakh reki Volgi v XVII veke," ibid., Vyp. 8 (1941).

³⁹ Fisher, The Russian Fur Trade. Apropos Siberia, K. V. Bazilevich has written, no doubt with some exaggeration, that Siberia "played in the seventeenth century the same role in relation to the Muscovite state that the American and East Indian colonies did somewhat earlier vis à vis France, Holland, and England." See his "Krupnoe torgovoe predpriatie," supra n. 25, p. 2.

⁴⁰ An important pre-revolutionary historian and Soviet writers agree on much of the substance of this paragraph. See M. V. Dovnar Zapol'skii, "Torgovlia i promyshlennost' Moskvyy v XVI-XVII vv.," in Moskva v ee proshlom i nastoiashchem, Vol. 6; Bakhrushin, "Moskvia kak remeslennyi i torgovyi tsentr XVI v.," op. cit., I; D. Tverskaia, Moskva vtoroi poloviny XVII veka--tsentr skladyvaiushchegosia vserossiiskogo rynka (Moscow, 1959).

⁴¹ Perekhod ot feodalizma k kapitalizmu v Rossii; A. M. Sakharov, Obrazovanie i razvitie rossiiskogo gosudarstva v XVI-XVII vv. (Moscow, 1969), pp. 147-8.

⁴²Aleksandrov, "Rol'," supra n. 34, p. 158.

⁴³Vvedenskii, pp. 24-7, 36, 142-3, 298; Baklanova, Torgovo-promyshlennaia deiatel'nost' Kalmykovykh, pp. 27, 104, 107, 108-23, 200-201; Baron, "Vasilii Shorin," pp. 517-9.

⁴⁴Vvedenskii, pp. 34, 52-6, 82, 95, 109-10, 126, 129, 130-1; Bakhrushin, II, 251-3.

⁴⁵For a fuller discussion of the privileges and obligations of the gosti, see my article, "Who Were the Gosti?," supra n. 6, pp. 12-19. For a patent which sets forth the privileges of a member of the gostinoi sotnia, see Baklanova, Torgovo-promyshlennaia deiatel'nost' Kalmykovykh, pp. 205-6.

⁴⁶Vvedenskii, pp. 32, 82, 293, 298.

⁴⁷Baklanova, Torgovo-promyshlennaia deiatel'nost' Kalmykovykh, p. 107. Of course, the difference was not clear profit, for expenses had to be defrayed.

⁴⁸See my forthcoming article cited in note 16.

⁴⁹See P. P. Smirnov, Novoe chelobit'e moskovskikh torgovykh liudei o vysylke inozemtsev, 1627 goda (Kiev, 1912); K. V. Bazilevich, "Kollektivnye chelobit'ia kupechestva i bor'ba za russkii rynok v pervoi polovine XVII veka," Izvestiia Akademii Nauk SSSR. Otdelenie Obshchestvennykh Nauk, 1932, No. 2; "Novotorgovyi ustav 1667 g.," ibid, No. 7; "Elementy merkantilizma v ekonomicheskoi politike pravitel'stva Alekseia Mikhailovicha," Uchenye zapiski Moskovskogo Gosudarstvennogo Universiteta, Vyp. 41, Istoriia, I (Moscow, 1940).

⁵⁰Sochinenie Kil'burgera, 449; Bushkovitch, The Merchant Class of Moscow, Appendix II.

⁵¹On business organization and methods, see Bakhrushin, "Remeslennye ucheniki v XVII v.," and "Agenty russkikh torgovykh liudei XVII v.," op. cit., II; Baklanova, Torgovo-promyshlennaia deiatel'nost' Kalmykovykh, 49-57 and passim; Geiman, "Solianoi promysel," supra, n. 25.

⁵²This is the central theme of the Attman study (op. cit.).

⁵³For some thoughtful comments apropos the relationship of the upper merchant strata to the ruling servitor class, see E. I. Zaozerskaia, U istoki krupnogo proizvodstva v russkoi promyshlennosti XVI-XVII vekov (Moscow, 1970), pp. 179-80. Kaufmann-Rochard (pp. 258-9) takes a somewhat similar view.

⁵⁴P. P. Smirnov, Posadskie liudi i ikh klassovaia bor'ba do serediny XVII veka, 2 vols. (Moscow, 1948), I, 331-5.

⁵⁵TsGADA, Kontora Kantselarii Konfiskatsii, F340, No. 143.

⁵⁶"Who were the Gosti?", supra n. 6.

⁵⁷E. I. Zaozerskaia, "Torgi i promysly gostimi sotni srednego Povolsh'ia no rubezhe XVII-XVIII vv," in Petr Velikii (Moscow-Leningrad, 1947), pp. 232-3; Baron, "Vasilii Shorin," pp. 546-7.

⁵⁸See supra, n. 7.

⁵⁹Horace W. Dewey and Ann M. Kleimola, "Suretyship and Collective Responsibility in pre-Petrine Russia," Jahrbücher für Geschichte Osteuropas, 18, No. 3 (September, 1970).

60 Violet Barbour, Capitalism in Amsterdam in the Seventeenth Century (Baltimore, 1950), pp. 80, 81, 85.

61 For example, between 1654 and 1680, the merchants were obliged on nine different occasions to pay extraordinary levies ranging from 5 to 20 percent of their annual incomes. When in the 1690's Peter I set out to build a fleet, he ordered the gosti to organize and oversee the construction of fourteen of the fifty two ships he demanded. Kliuchevskii, op. cit., III, 235; M. M. Bogoslovskii, Petr I. Materialy dlia biografii, 5 vols. (Moscow, 1940-48), I, 356-63; III, 150-53.

62 K. V. Bazilevich, Denezhnaia reforma Alekseia Mikhailovicha i vosstanie v Moskve v 1662 g. (Moscow, 1936), pp. 52-3; chap. V; P. Miliukov, Gosudarstvennoe khoziaistvo Rossii v pervoi chetverti XVIII stoletia, 2nd. ed. (St. Petersburg, 1905), pp. 161-5; Ocherki istorii SSSR. Period Feodalizma. Rossiia v pervoi chetverti XVIII v. (Moscow, 1954), p. 133.

63 Gerschenkron, pp. 56-60. For another view, see V. V. Stoklitskaia-Tereshkovich, "Problema mnogoobraziia srednevekovogo tsekha na zapade i na Rusi," Srednye veka, Vyp. 3 (Moscow, 1951).

64 Kliuchevskii, VIII, 45-8.

65 S. M. Solov'ev, "Moskovskie kuptsy v XVII veke," Sovremennik, 71 (1858), No. 10, 440. Polnoe sobranie zakonov Rossiiskoi Imperii (PSZRI), III, No. 1706; N. N. Firsov, Russkie torгово-promyshlennye kompanii v pervoi polovine XVIII stoletia, 2nd ed. (Kazan, 1922), chap. 2.

66 Kurts, Sochineniia Kil'burgera, p. 449. Similarly, Krizhanich (p. 417) asserted that Russians did not trouble to search for ores for fear that the all-powerful government might deprive them of the fruits of their labor and expense.

⁶⁷S. Ia. Borovoi, Kredit i banki v Rossii (Moscow, 1958), chap. 1; Kaufmann-Rochard, p. 65.

⁶⁸Another such service was performed by the government too. What with the insecurity that travelers faced in Muscovy, it was hazardous for merchants to carry large sums of money, even though they might need cash to carry out their transactions. The government made it possible for a merchant to deposit a sum with one of its agencies in Moscow (or elsewhere), and receive in return a document ordering an official in another town to pay him the same amount upon demand. A document requesting such a transfer is printed in Nizhnii Novgorod v XVII v. Sbornik dokumentov (Gor'kii, 1961), pp. 77-8.

⁶⁹On foreign industrial enterprise, Erik Amburger, Die Familie Marselias (Giessen, 1957); Fuhrmann, The Origins of Capitalism in Russia. Supple (pp. 424-5) notes that technology in Western Europe remained simple in large part, with the putting-out system the predominant mode of industrial organization. Zaozerskaia (U istoki, pp. 446-50) summarizes Muscovy's quantitative industrial growth and its failure to achieve significant technological progress. For the Russian merchants' disinclination in 1620 to block foreign industrial enterprise in Russia, see Solov'ev, supra n. 65, p. 440. I have found no evidence that they subsequently reversed themselves on this.

⁷⁰That a way out had not been found, and that the consequences disturbed some people in high places, is indicated by a remarkable edict designed to free economic activity and promote development published by Peter III in 1762, and confirmed in its essentials a few months later by Catherine II. Reading this document, one cannot escape the impression that its author (Dmitrii Volkov, the emperor's privy secretary) had just read Kilburger (or some other source with very similar ideas) was convinced by his criticism, and had

resolved to put his ideas into effect. I am grateful to Victor Kamendrowsky, a graduate student at the University of North Carolina who is working on Catherine II's economic policies, for calling this document to my attention. It is printed in PSZRI, XVI, No. 11, 489.