

This week in the Russian Revolution

## December 25-31: Soviet government nationalizes the banks

27 December 2017

*The year 1917 closes with the Russian Revolution in a precarious situation. The new Soviet government is menaced on all sides by hostile armies, confronting famine, anarchy and counterrevolutionary intrigues from within. Meanwhile, the imperialist war rages on, and the October insurrection catalyzes revolutionary struggles around the world.*

*By the end of the Great War in November 1918, the conflict will have resulted in 18 million deaths and 23 million more wounded and maimed.*

### Kharkov, December 25 (December 12, O.S.): Proclamation of the Ukrainian People's Republic of Soviets

The first All-Ukrainian Congress of Soviets proclaims the Ukrainian People's Republic of Soviets (UNRS) in the eastern Ukrainian city of Kharkov. The UNRS is formed in opposition to the Ukrainian People's Republic (UNR), which had been created by the Central Rada in Kiev a few weeks earlier.

In contrast to western and to some extent central Ukraine, the Ukrainian national movement is rather weak in the eastern parts of the country, especially in major industrial centers like Kharkov. Here, a working class of largely Russian and Jewish origin views the project for an independent Ukrainian nation-state and the accompanying Ukrainization with indifference, if not hostility. The Bolsheviks and Left SRs have a far broader base of support in the east and, to some extent, the south of the country than in the peasant-dominated west.

The All-Ukrainian Congress of Soviets had been convened at the initiative of the Bolsheviks, who had just a few weeks earlier formed their separate Ukrainian party. Initially, the Congress convened in Kiev, but the Bolsheviks moved it to Kharkov to protest the uninvited presence of 670 delegates from "Peasant Union" and 905 delegates from the Ukrainian armed forces. By the time the Congress starts in Kharkov on December 24 (December 11, O.S.), thousands of Red Guardists under the leadership of Vladimir Antonov-Ovseenko are in the city to fight against the White forces under General Kaledin. On January 1 (December 19, O.S.), the Sovnarkom of the Russian Soviet Federative Socialist Republic (RSFSR) in Petrograd recognizes the UNRS as the only legitimate government in Ukraine.

The government of the UNRS includes: Yevgenia Bosch as People's Commissar of the Interior; Fedor Sergeev (Artyom), a Russian-Australian revolutionary, as People's Commissar of Trade; and Nikolai Skripnik as the People's Commissar of Labor.

Between December 1917 and January 1918, Soviet power is established in several other industrial centers in eastern and southern Ukraine. However, following the peace treaty with Germany, the UNRS is defeated

by German and Austro-Hungarian forces, who act in concert with the Central Rada in Kiev. It would take several more years of civil war to reestablish Soviet power in eastern Ukraine.

### Calcutta, December 26: Annie Besant elected Indian National Congress President as opposition mounts to British imperialism

Annie Besant, a British national, is elected president of the Indian National Congress (INC) today at its 32nd congress in the Indian city of Calcutta.

A resident of British India, Besant is elected president despite a ban on her participating in political activity by the British government. "For the first time in Congress history, you have chosen as your President one who, when your choice was made, was under the heavy ban of Government displeasure, and who lay interned as a person dangerous to public safety," Besant declares in her presidential address.

Besant's election is an indication of growing opposition among the emerging Indian bourgeoisie and English-educated professional elite, who have hitherto served as a key prop of British rule.

Besant was president of the Theosophical Society and founded of the Indian Home-Rule Movement in September 1916. Based on the Irish movement for home rule, the Indian Home Rule Movement advocated self-government for India within the British Empire, an arrangement akin to the dominion status of Canada and Australia.

Besant, born in 1847 in London, participated in various social-reform movements including secularism, women's rights, and the Fabian Society. She was at one time close to the scientist Edward Aveling, partner of Eleanor Marx, Karl Marx's youngest daughter. She was present during the violent attack of the British police and the army upon workers in London demanding jobs on November 13, 1887, which came to be known as "Bloody Sunday." After moving to India, she advocated various reforms within the framework of capitalism. Besant has supported World War I as a battle of "democracy" against central-European autocracy.

The British Empire's grip upon the vast Indian subcontinent is weakening. The colonial administration, through bribery or coercion, has enlisted over a 1.2 million Indians, including 477,000 support staff, to be sent to Europe and the Middle East as cannon fodder in the imperialist war.

Financial contributions have been extracted by London from the Indian treasury, amounting to a massive £130 million (worth at least £9 billion in today's money). During a parliamentary debate in June 1917, Foreign Secretary Lord Balfour stated openly that India "was bled white for war purposes."

The British have also shipped large quantities of food and fodder from India to Iraq and other war theaters, creating famine conditions in many parts of India.

These conditions have led to sharpening social antagonisms and protests. The colonial administration has reacted to these uprisings and protests with a mixture of repression and concessions. In August 1917, responding to social upheavals throughout the subcontinent, Britain's Secretary for India Edwin Montagu was forced to concede that "responsible government" in India was the goal at a future unspecified date—an implicit concession to demands for home rule.

#### **Washington, December 26: Wilson puts railroads under federal control**

Acting under the Federal Possession and Control Act, President Woodrow Wilson places the American railroad industry under federal control. Treasury Secretary William McAdoo is appointed Director General of Railroads, and the massive national network—the world's largest by far—is divided into three regions: East, South and West.

The move aims to overcome the anarchy of the "free market" in the context of American mobilization and entry into the Great War. Chaos reigns in deliveries. In the absence of profit guarantees, rail owners are failing to deliver in a predictable manner goods for war industries and even energy, leading to what is described as a "coal famine" in home heating—and a number of deaths from exposure during this bitterly cold Christmas season. Moreover, federal ownership raises the specter that the military may be deployed to deal with striking railway workers.

Yet Wilson's measure has the inadvertent effect of strengthening demands among rank-and-file workers for the wholesale nationalization of the rail and coal industries and, thereby, the elimination of the profit motive in basic industry. Workers ask, "If owners must be sidelined for the war for the rational conduct of industry, why not also in peace?" The United Mine Workers incorporates the demand for nationalization into its negotiating position.

Wilson has no intention of such a far-reaching move. The rail barons will be restored to full control over their monopolies after the war, with guaranteed profits for their wartime use.

#### **Washington, December 30: Wilson orders registration of 500,000 German Americans in "Enemy Aliens" list**

The Wilson administration announces that the week beginning February 4, 1918 will be used to register and fingerprint an estimated 500,000 German "enemy aliens"—defined by Attorney General Gregory as all German men over the age of 14 living in the US who have not yet been naturalized as American citizens. After registering with police and magistrates across the US, the half million German immigrants will be required to carry enemy alien cards with them at all times.

The *New York Times* praises the edict on the grounds that German immigrants are the source of "enemy plots and propaganda," and encourages "newspapers and citizens" to assist with the persecutions:

Registration will involve the gathering of detailed information concerning the business relations and habits of every German, together with his photograph and fingerprints. After registering he

must carry a certificate card and may not change his place of residence without approval of the police or postmaster. Violations of the regulations will be punishable by internment for the war... The information obtained will be of distinct value to officials in running down enemy plots and propaganda and in discovering what Germans bear close watching. The task will be great in cities where the German population is large, and newspapers and citizens will be asked to help.

#### **Russia, December 27 (December 14, O.S.): Central Executive Committee passes decree on the nationalization of the banks**

On December 27, armed Red Guard detachments conduct a coordinated operation to seize control of all banks and credit institutions in Petrograd. The Central Executive Committee passes the following resolution:

In the interest of the regular organization of the national economy, of the thorough eradication of bank speculation and the complete emancipation of the workmen, peasants, and the whole laboring population from the exploitation of banking capital, and with a view to the establishment of a single national bank of the Russian Republic which shall serve the real interests of the people and the poorer classes, the Central Executive Committee resolves:

1. The banking business is declared a state monopoly.
2. All existing private joint-stock banks and banking offices are merged in the state bank.
3. The assets and liabilities of the liquidated establishments are taken over by the state bank.
4. The order of the merger of private banks in the state bank is to be determined by a special decree.
5. The temporary administration of the affairs of the private banks is entrusted to the board of the state bank.
6. The interests of the small depositors will be safeguarded.

Meanwhile, Lenin has been drawing up plans for the implementation of even more radical emergency measures, which are designed to combat the critical food situation and the threat of famine.

Among these measures is a proposed decree that all large corporations open their books and operate in the public interest. Large corporations and wealthy individuals will be required to submit regular reports to the Soviet authorities regarding their activities and finances. All large fortunes and stockpiles of cash are to be frozen, withdrawals being only allowed for basic necessities. Further, all foreign loans are to be canceled. To help document and manage the distribution of food, which is in critically short supply, every Soviet citizen will be required to join a consumers' society.

In addition, Lenin proposes the adoption of universal labor conscription. "All citizens of both sexes between the ages of sixteen and fifty-five shall be obliged to perform work assigned to them by the local Soviets of Workers', Soldiers' and Peasants' Deputies, or by other bodies of Soviet power." Efforts to oppose these measures are to be met with the sternest measures. "All offenders against the present law, saboteurs and government officials who go on strike, as well as profiteers, shall be liable to a similar penalty, and also to imprisonment, dispatch to the front, or hard labor," Lenin writes. "The local Soviets and bodies under their jurisdiction shall urgently decide upon the most revolutionary measures to combat these real enemies of the people."

At a speech given in the Central Executive Committee on the day the

resolution is passed, Lenin answers those who say that “we are heading towards an abyss, towards certain destruction.”

Nobody, with the exception of the utopian socialists, has ever asserted that victory is possible without resistance, without the dictatorship of the proletariat and without seizing the old world in an iron grip.

You [i.e., Lenin’s critics] accepted this dictatorship in principle, but when that word is translated into Russian, called an “iron grip” and applied in practice, you warn us of the fragility and involved nature of the matter...

We realize that this is an involved measure. None of us, even those who are trained economists, will undertake to carry it out. We shall invite the specialists who are engaged in that work, but only when we have the keys in our own hands. Then we shall even be able to draw advisers from the former millionaires. We invite anybody who wants to work as long as he does not try to reduce every revolutionary enterprise to mere words; that is something we shall not stand for. We use the words “dictatorship of the proletariat” in all seriousness and we shall effect that dictatorship.

..

The adoption of the decree is urgent, otherwise opposition and sabotage will ruin us. (Stormy applause.)

#### **London, December 28: Labour Party conference endorses British imperialist war aims**

A joint conference of the Labour Party and Trades Union Congress adopts a memorandum containing the Labour Party’s war aims. They seek to dress up the predatory global interests of the British bourgeoisie in “democratic garb,” while at the same time attempting to respond to the Bolsheviks’ popular call for an immediate end to the conflict.

Labour appeals for the war to be concluded “as soon as may be possible,” a formula aimed at winning favor with the widespread desire for peace and simultaneously endorsing the ruthless prosecution of the war until London’s goals are met. Labour’s document swiftly adds that the party supports the continuation of the war until “the world may henceforth be made safe for democracy,” a hypocritical declaration aimed at the autocratic regimes in Berlin, Vienna and Istanbul.

The conference displays a highly selective application of the principle of the self-determination of nations. It calls for the independence of Belgium and the Balkan states, territories currently under the control of Germany, Austria-Hungary and Turkey, and demands the return of Alsace-Lorraine to France. However, Labour has nothing to say about the ongoing colonial domination of Ireland and India by British imperialism. In Africa, where British and French imperialism control vast empires, it meekly proposes that these territories be transferred to a “league of nations,” an arrangement that would codify brutal colonial exploitation under the cover of international law. Lenin will later characterize the League of Nations as a “thieves’ kitchen.”

Labour gives full-throated backing to the Zionist project in Palestine, which was officially endorsed by the British ruling class in November’s Balfour Declaration. The Labour Party memorandum “expresses the opinion that Palestine should be set free from the harsh and oppressive government of the Turk, in order that this country may form a free state, under international guarantee, to which such of the Jewish people who decide to do so may return, and may work out their own salvation free from interference by those of alien race or religion.”

Labour’s positions are a further elaboration of the pro-war stance it has held since the outbreak of the slaughter in August 1914. It has connived with the trade unions to suppress all strikes and working-class struggles under propaganda about national unity. It has shown its loyalty to the British ruling class by joining a series of wartime governments, including the current government led by Lloyd George.

The memorandum of Labour’s war aims will serve to guide the discussions at a conference of “socialist” parties from the allied countries held early in 1918.

#### **Petrograd, December 31 (December 18, O.S.): Council of People’s Commissars recognizes independence of Finland**

After the Finnish government declared its independence from Russia on December 6, the Council of People’s Commissars confirms its recognition of Helsinki as an independent republic. It brings to an end 108 years of Russian rule over Finland, which was a grand duchy within the tsarist empire.

The revolution has sharply polarized Finnish society along class lines. The fact that a bourgeois government is now in a position to have its declaration of independence confirmed by the Bolsheviks is due above all to the treachery of the Finnish Social Democrats, who, under the influence of Karl Kautsky and Second International reformism, have systematically betrayed the Finnish workers’ struggle for power. Only six weeks ago, the Finnish Social Democrats called off a nationwide general strike inspired by the October Revolution, thereby handing power back to the bourgeoisie after workers had seized control of almost all the country’s major cities.

Another revolutionary struggle is brewing. By the end of January, radical elements within the Social Democracy and the red guards of the working class will take power in Helsinki. They will establish the Finnish Socialist Workers Republic, which will remain in existence for little more than three months before it is bloodily suppressed by right-wing Finnish nationalists with the support of German imperialism.

#### **Also this month: Mass arrests of socialist opponents of the war in Germany**

Hundreds of antiwar socialists are arrested in raids by the police or drafted and sent to the front. The mass arrests occur in virtually all major industrial centers, including Köln, Karlsruhe, München, Düsseldorf, Magdeburg, Darmstadt, Nürnberg, Kassel, Mannheim, Duisburg, and especially Berlin. The crackdown of the military dictatorship under General Field Marshal Paul von Hindenburg and Erich Ludendorff on opponents of the war and socialist working-class leaders has reached a new high point.

Revolutionaries like Karl Retzlaff and Paul Frölich would later recall in their memoirs that the police and the military leadership had a relatively amateurish attitude toward socialist opponents of the war. However, the seizure of power by the working class in Russia and the fraternization scenes of soldiers at the front immediately bring about a dramatic change in their attitude. Apart from Rosa Luxemburg and Karl Liebknecht, who have been imprisoned for a long time, and Leo Jogiches, who is living in illegality, many other important leaders of the Spartacus League are arrested. The political leader of the “Bremer Left,” Johann Knief, and his comrade-in-arms Lotte Kornfeld are forced into illegality for months.

Despite these repressions, the New Year will see a gigantic mass strike

in January all over Germany, in which the demand for an end to the war will play a central role.

### Also this month: Heinrich Vogeler's "Christmas Fairy Tales"

At the end of 1917, the painter Johan Heinrich Vogeler (1872-1942) considers how he can respond to the malicious demands of the German side in the Brest-Litovsk peace negotiations. The painter, famous for his Art Nouveau paintings and illustrations, has become known as a member of the founding generation of the artist colony at Worpswede, near Bremen, Germany. In his circle of friends can be found Rainer Maria Rilke, Clara Westhoff, and Paula Modersohn-Becker and her husband Heinrich Modersohn.

At the beginning of the war, Vogeler volunteered for military service out of despair more than conviction. He believed at first the propaganda that claimed that through the "defensive war," peace for humanity could be restored. As a son of an affluent middle-class family, he had been inundated with ideas about "love of the fatherland," "fighting courage" and "heroic death." He later explained that he had been a "political illiterate" at the time.

Vogeler was given the opportunity to work as an "army illustrator." In this capacity, he deliberately avoided any representations of violence. His sketches showed soldiers performing their daily tasks, on the march, digging trenches and in their quarters.

The longer the war lasted, the clearer its real character became to Vogeler. He took note of the revolutionary events in Russia with great interest. The messages of peace from the Bolsheviks resonated with him as they did with many common soldiers. He attracted the attention of the officer corps with increasingly angry statements about the war. To avoid punishing the still-famous artist, the authorities promote him to officer and send him to the Eastern Front. He urgently appealed for leave to go home, which was granted.

In Worpswede, he now considers what he can do to oppose the war. He does not produce open antiwar propaganda. However, at the beginning of January 1918, he writes a letter to the Kaiser, dressed up as a "Fairy Tale of a Loving God." In the story, God goes to the Kaiser and berates him as a slave to appearances and demands: "Become the Lord of Light and serve the truth ... destroy the borders, be the leader of humanity ... be the prince of peace ... build rather than destroy. On your knees before the loving God, be the redeemer, have the strength to serve! Kaiser!"

As a salutation, he writes above the story: "To the Kaiser. Protest of petty officer Vogeler against the Best-Litovsk peace by force." On the envelope he writes the address of the Kaiser in Charleville, where he then dwells. General Erich Ludendorff receives a copy with the addition: "Excellency, take off your red trousers and spend a few days there in the mud—only then will you know what the soldier at the front thinks." He puts both letters in the mail on January 11 and assumes he will be shot for them.

Without his involvement, the story is repeatedly printed and distributed as a leaflet. On January 30, 1918, he is supposed to be arrested by a petty officer and a soldier. After he entertains the two and reads them the story, they leave without him. He does not go to prison, but to the observation department of a hospital for the mentally ill in Bremen.

Vogeler begins a study of the works of Marx, Engels and Bakunin. After 1919, he unsuccessfully attempts to make his Barkenhoff estate into a socialist commune and a children's home with a connected industrial school. He works for Red Aid, and in 1931 goes to the Soviet Union.

His "Complex Paintings," influenced by Futurism and Cubism, fall quickly into disfavor with the Stalinist bureaucracy, and he attempts to

orient himself to "socialist realism." In 1941, he is deported to Kazakhstan along with several other Germans, where he must perform hard labor and nearly starves. On June 14, 1942 he dies in the hospital of the Budyonny collective farm, probably from bladder problems and physical weakness.

### Also this month: Alexandra Kollontai serves as People's Commissar for Social Welfare

Following the establishment of the Council of People's Commissars of the Government of the Russian Soviet Federative Socialist Republic, Alexandra Kollontai is appointed People's Commissar for Social Welfare. She will go on to found and lead the government's *Zhenotdel* or "Women's Department" in 1919.

Kollontai, a leading Old Bolshevik, joined the party in 1899. After witnessing the Bloody Sunday massacre and the 1905 Revolution, she was driven into exile in 1908. Traveling through Britain, the United States, Sweden, Norway, France and Germany, she became acquainted with many leaders of the international workers movement, including Rosa Luxemburg and Karl Liebknecht.

Only two years earlier, she corresponded with Lenin on her work in the United States, where the long distances made communication difficult. Writing from Bern, Switzerland in 1915, Lenin urged her that "if there are people in America who are afraid *even* of the Zimmerwald Manifesto, you can brush them aside, and bring in only those who are *more Left than the Zimmerwald Manifesto* ." During her travels in the US, Kollontai ultimately addressed 123 meetings in 80 cities, speaking in English, German, French, Russian, Finnish, and Norwegian. She worked with Trotsky in New York in the struggle against the conservative, defensist leadership of the American Socialist Party headed by Morris Hillquit.

Now Kollontai, in her capacity as People's Commissar for Social Welfare, is the first woman cabinet minister in Europe.

### Conclusion

This marks the conclusion of the weekly series "This Week in the Russian Revolution." We hope that our readers have found it a helpful introduction to the events and controversies of that unparalleled year.

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