Russian Supply Efforts in America During the First World War

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RUSSIAN SUPPLY EFFORTS IN AMERICA

DURING THE FIRST WORLD WAR

by

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HISTORY

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ABSTRACT

RUSSIAN SUPPLY EFFORTS IN AMERICA DURING THE FIRST WORLD WAR.

Dale C. Rielage
Old Dominion University, 1998
Director: Dr. Austin Jersild

The Russian government entered the First World War unprepared for the strains that modern warfare would impose on its industrial resources. As a result, Russia turned to foreign suppliers, most significantly the United States, and made extensive purchases largely financed by British loans. These foreign supply efforts involved both the Tsarist government and representatives of the newly emerging civil elements in Russian society.

Central to the experience of Russian purchasing in the United States was the Russian Supply Commission in America. Established in October 1915 as a coordinating body, the Supply Commission was noteworthy in that it included representatives of not only various government agencies, but also the Union of Zemstvos and Towns and War Industries Committees, two of the major non-governmental organizations that filled quasi-governmental roles in the waning days of the Russian Empire.

Both the government bureaucrats and civil society were poorly prepared to deal with the difficulties of foreign purchasing. The nature of power in the autocratic state prevented the bureaucracy from creating a coordinated effort, while the non-governmental organs proved no more able to administer foreign orders than their government counterparts. The failure of the supply effort strongly supports the view that neither group could have successfully addressed the needs of a modern industrial society.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. INTRODUCTION</td>
<td>1</td>
</tr>
<tr>
<td>THE GOVERNMENT</td>
<td>5</td>
</tr>
<tr>
<td>CIVIL SOCIETY</td>
<td>7</td>
</tr>
<tr>
<td>INDUSTRY</td>
<td>11</td>
</tr>
<tr>
<td>II. THE EARLY WAR ORDERS</td>
<td>14</td>
</tr>
<tr>
<td>THE SHCHERBATSKII COMMISSION</td>
<td>19</td>
</tr>
<tr>
<td>THE SAPOJNIKOV MISSION</td>
<td>29</td>
</tr>
<tr>
<td>J. P. MORGAN AND COMPANY</td>
<td>36</td>
</tr>
<tr>
<td>III. THE CRISIS BREAKS</td>
<td>40</td>
</tr>
<tr>
<td>THE GOVERNMENT AND THE CRISIS</td>
<td>44</td>
</tr>
<tr>
<td>CIVIL SOCIETY AND THE CRISIS</td>
<td>45</td>
</tr>
<tr>
<td>THE SPECIAL RELATIONSHIP BEGINS</td>
<td>48</td>
</tr>
<tr>
<td>IV. A COMMITTEE IN EARNEST</td>
<td>61</td>
</tr>
<tr>
<td>V. THE RUSSIAN-BRITISH AXIS CEMENTED</td>
<td>74</td>
</tr>
<tr>
<td>VI. THE ZEMSKY BUY A RAILROAD: A CASE STUDY</td>
<td>89</td>
</tr>
<tr>
<td>VII. REVOLUTION AND CLOSURE</td>
<td>111</td>
</tr>
<tr>
<td>THE PROVISIONAL GOVERNMENT</td>
<td>111</td>
</tr>
<tr>
<td>THE BOLSHEVIK REVOLUTION</td>
<td>123</td>
</tr>
<tr>
<td>VIII. CONCLUSION</td>
<td>134</td>
</tr>
<tr>
<td>BIBLIOGRAPHY</td>
<td>139</td>
</tr>
<tr>
<td>VITA</td>
<td>147</td>
</tr>
</tbody>
</table>
CHAPTER I

INTRODUCTION

The Tsarist government between 1914 and 1917 failed to meet its wartime needs despite great effort to purchase military supplies in America; this is the story of that purchasing effort, the contracts it secured and the supplies it did not. Supplying Russia’s armies was a task of clear national importance, and purchasing on the American market enlisted not only official government agencies but activist non-governmental organizations representing Russian civil society. The Tsarist bureaucracy, both civil and military, proved unable to transcend its internal differences to create unified and effective purchasing. Russian civil society, cognizant of government failures, pursued its own orders, further disrupting purchasing efforts in America and hampering the war effort it sought to assist. Both groups proved unable to adapt to the unfamiliar arena of the American market.

On immediate inspection, the collection of institutions and ideas which define late Imperial Russia are a textbook example of a society failing to adapt to change. In the popular mind, the Russian regime, like its Austro-Hungarian counterpart, was a expression of a different era, ripe to be swept away by the tides of history. Against this simplistic explanation, apologists for the regime, beginning with pro-Tsarist Russian exiles, have offered the argument that change was possible within the Tsarist system. The pre-war Tsarist Government produced at least two innovative ministers, Serge Witte and Peter Stolypin, who provide evidence that the government, despite its general inefficiency and reaction, did produce gifted politicians and administrators. Leaders of industrial and agricultural policy, respectively, both evidenced the willingness to make difficult choices

The style manual for this thesis is Kate L. Turabin’s A Manual for Writers, sixth edition.
and, often with a measure of political and social pain, to reform critical sectors of Russian society. Representatives of the failed Russian government argued that, without the unplanned strains of the First World War, the government could eventually have found a less catastrophic route to reform.

Those who believe that the gradual reform of Russian society was possible more commonly place their faith in the nascent elements of Tsarist civil society. Despite the essentially autocratic nature of the Tsarist Government, elements of civil society were present in late Tsarist Russia and were gradually increasing in both their size and scope of action. In the liberal view, these organs could ultimately have brought Russia to some form of constitutional government. The coming of the First World War prevented this natural development. Further, Russian liberals held that responsibility for the underdevelopment of the organs of civil society and the failures these groups experienced while addressing social problems could be blamed on the Tsarist state.

This positive view of Russian civil society has been influential in the United States and Western Europe since well before 1917. Prominent members of Russian liberal society were cosmopolitan in outlook, and had well developed ties to the United States and Britain. In a real sense, western elites saw Russian liberals as their counterparts in Russian society and took comfort in the idea that Russia’s progress would, in time, be guided by men “just like us.” After the fall of the Provisional Government, these liberals

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1For example, Paul Miliukov, leader of the Constitutional Democrat (“Kadet”) party and Foreign Minister of the Provisional Government, was a history professor who had made an extensive speaking tour of the United States and Britain in 1904 and 1905. During the First World War, he traveled to Europe as a representative of the State Duma. After 1917, he lived in exile in France. His 1904-05 lectures were published as *Russia and its Crisis* (Reprint edition; New York: Collier Books, 1962) and his career is detailed in his *Political Memoirs, 1905-1917*, trans. Carl Goldberg (Ann Arbor: University of Michigan Press, 1967).
defined the Russian revolution for foreign audiences. For their former allies, they became the interpreters of the early Soviet regime, apologists for the Provisional Government and advocates for the Whites. Once Soviet power was established, they remained in the West, writing their memoirs and forming the nucleus of Russian studies programs in academia. Their view of the prospects of civil society, however, was defined by their role in those very organs. Accomplished and western oriented, these Russian émigrés created the texts that became the West’s master narrative of events in Revolutionary Russia.²

In recent years, an increasing body of literature has grown around questions of civil society in late Imperial Russia. As Theodore Von Laue observed, it is difficult to assess the prospects for the Imperial Government or Russian liberalism when the Bolsheviks so convincingly disposed of both.³ Several of these works have attempted to contrast government and social efforts to address a common problem. Such a case study approach offers the opportunity to contrast methods and effectiveness, as well as interactions between the two groups. Ideally a case study would involve compelling interests that would encourage cooperation. It would also address a problem that was presented to both elements simultaneously, rather than the more common movement of Russian civil society into areas of governmental concern.

Imperial Russian efforts during the First World War to secure military supplies from overseas producers, particularly the United States, provide such an opportunity for

²An outstanding example of this phenomenon is the Russian series of the Carnegie Endowment. Published in the 1920s and 1930s by Yale University, this multi-volume set still forms an useful point of departure for research into the effects of the First World War on Russia. The authorship was a virtual who’s who of Russian liberals in exile, and included former State Duma members, the mayor of Moscow and zemstvo officials.

study. At various points during the war, representatives of both Tsarist bureaucracy and civil society participated in securing and administering the purchase of overseas supplies. The question of adaptability to change is a key issue in judging whether either group possessed the ability to answer the challenges of a changing Russia. The military supply situation between 1914 and 1917 was something new and unforeseen in Russian and international circles. While the Russian state had domestic mechanisms for military supply, and had, on occasion, purchased arms abroad, the permanent foreign dependence existing from early 1915 on was fundamentally new. With no bureaucracy in place to answer this need, the Russian government's efforts are indicative of official response to new situations.

The question of overseas supplies also provides a basis for comparison between nations. None of the belligerent powers entered the First World War prepared for the extravagant material demands of industrialized warfare. As the armies of Europe settled into the stalemate of late 1914, military officers saw their accustomed tactics of movement and maneuver removed from their place in the natural order. Only mass and firepower remained. While it is too simplistic to say that the war became entirely a contest of industry, clearly massive production, whether in ships, shells, troops or saw blades, provided the mass and firepower that became, for the generals of Europe, the opening arguments of victory. The profligate expenditure of artillery, millions of shells during single battles in 1916, strained the industrial capacity of virtually the entire world, threatening to bankrupt nations and permanently change the social order. Among those governments that survived, principles, paradigms and planning all lay prostrate before the imperatives of production.
The reactions of both the Russian government and organs of Russian society to the challenges of the First World War, as will be evident in the course of this study, provide compelling evidence that neither group could effectively guide Russia through the challenges of the new century. In their efforts to secure supplies in the United States, both groups faced similar and approximately equal challenges. The government bureaucracy proved unable to address the crisis of wartime industrial production. The emerging liberal “civil society,” laboring under far fewer restrictions in the United States than in Russia, still proved no more capable than their bureaucratic counterparts in dealing with industrial production and American capitalists. For all sectors of society, the war provided a hothouse of intensive activity and experience and a rich opportunity to evaluate their efforts.

THE GOVERNMENT

Industrial warfare demanded an efficient means of administration. The Russian bureaucracy, immortalized in the characters they contributed to Russian literature, comprised a bewildering range of ministries, organs and councils. Their authority and loyalties often shifted, based on personalities and prestige. Yet, in addressing the effects of the Tsarist bureaucracy on purchasing in America, the imperatives that transcended organizations permit the bureaucracy to be addressed as a common element.

All parts of the Russian bureaucracy traced their lineage to Peter the Great and the absolutist state that he created, in which the concept of rights was meaningless. Whether serf or noble, all persons were equally subjects of the Tsar; even noble status was always
subject to the authority of the sovereign. To the end of the Empire, privileges, whether land, titles, or serfs, were ostensibly granted for state service. Privileges recognized past service and provided the resources for continued efforts, and could be removed when their use no longer pleased the sovereign. Until such judgment, the Russian noble answered to no one outside his own “chain of command” for his privilege and position. The Russian bureaucracy was born with a similar inherent territorialism. An office and its attendant responsibility became not merely honorable employment, but a valued possession as a means of social advancement, and was defended as such. The resultant bureaucrat ruled his ministry with the autonomy of a noble on his country estate.

Despite this independence, the vast majority of state servants were poorly paid, overworked and little honored. The Russian bureaucracy was surprising small for its impression on the public mind. Throughout the nineteenth century, Russia had approximately twelve civil servants per 10,000 subjects, while much of Europe during the same period averaged three to four times more per capita. The endemic bribery and corruption so often attacked by western observers was, in fact, an accepted part of the system of administration. Despite various attempts to establish acceptable salaries for civil servants, the Russian civil service never received more than a living wage, and often much less. The pay tables established in 1865, for example, remained unchanged for over thirty years. Such pay handicapped the recruitment of talented people, particularly professionals and university graduates. At the beginning of the First World War, only 51 percent of the

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5Richard Pipes, Russia under the Old Regime (New York: Charles Scribners’ Sons, 1974), 281-90.
senior Ministry of the Interior bureaucracy had attended university. The resultant bureaucracy was poorly equipped to administer a growing industrial society, and was at the same time supporting itself by the Muscovite tradition of feeding itself off official business.\(^6\) With corruption both an accepted facet of the job and, in some cases, a requirement for living, it can hardly be surprising that Russian wartime contracts, both at home and abroad, were characterized by what their Allies considered graft of the basest sort.

The final handicap facing the Russian bureaucracy was the idea that all subjects of the Tsar were equal in their subordination. In a state of such equality, there could be no central directing voice other than that of the Tsar. Rather each minister enjoyed the jealously defended right to address the Tsar personally, insuring that only the sovereign could be in a position to direct and coordinate the efforts of the various ministries.\(^7\)

**CIVIL SOCIETY**

During the last ten years, the extent and efficacy of civil society in late Tsarist Russia has emerged as one of the most compelling questions of Russian historiography. With the demise of Soviet power, those who would create democratic institutions in modern Russia have struggled to place their efforts in historical context. If the late Tsarist period saw a growth in effective civil institutions, then the institutions established after the “interruption” of Communism can be seen as the continuation of a native process, rather

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than an unprecedented and foreign construct. The result has been the rebirth of the arguments of the post-revolution Russian liberals in more sophisticated form.\(^8\)

The eclectic mechanisms through which independent “civil society” typically arose and sought expression—the press and literature; common associations of professions, concerns and pastimes; and ultimately political action—were all controlled and even proscribed in Imperial Russia.\(^9\) The ostensible unity of the nation and the Tsar rendered the idea of associations of citizens independent of the sovereign a philosophical impossibility for the government. Further, as Walkin observed, “In an autocratic state trying to hold down a seething populace, there is no such thing as a harmless form of association.”\(^{10}\)

Despite this fact, elements of civil society did exist in Tsarist Russia. The last decades of the Russian Empire saw the emergence of a number of voluntary organizations of a political, social and professional nature which challenged government primacy in their areas of concern. While the intellectual underpinnings of civil society were not the result of government policy, these urges found expression in part through mechanisms created

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\(^8\) Two the best works in recent years are Mary Schaeffer Conroy, ed. *Emerging Democracy in Late Imperial Russia: Case Studies on Local Self-Government (The Zemstvos), State Duma Elections, the Tsarist Government and the State Council before and during World War I* (Niwot: University Press of Colorado, 1998) and Thomas Earl Porter, *The Zemstvo and the Emergence of Civil Society in Late Imperial Russia, 1864-1917*, Distinguished dissertations series (San Francisco: Mellen Research University Press, 1991). An interesting counterpoint to the state versus society discussion is found in Adrian Jones, *Late-Imperial Russia: An Interpretation: Three Visions, Two Cultures, One Peasantry* (Bern: Peter Lang, 1997).

\(^9\) Among the best studies covering one of these areas of civil life are Nancy M. Frieden, *Russian Physicians in an Era of Reform and Revolution, 1856-1905* (Princeton: Princeton University Press, 1981) and Jeffery Brooks, *When Russia Learned to Read: Literacy and Popular Literature, 1861-1917* (Princeton: Princeton University Press, 1985). Despite the restrictions of the Tsarist government, civil society was growing during the final years of the regime.

\(^{10}\) Walkin, *The Rise of Democracy in Pre-Revolutionary Russia*, 121.
by the state during the “Great Reforms,” the period of intense government reform which followed the Russian defeat in the Crimean War.

The most significant large scale expression of civil society was the zemstvo movement. Born out of the Zemstvo Act of 1864, the zemstvos, with their urban counterparts, established in each area of the Empire a local assembly and a smaller executive board, both selected by election and entrusted with limited authority over local affairs. Voter eligibility was established by property qualification and not estate. As originally conceived, the zemstvos seemed to offer the hope of local self-government and were an outlet for a number of improvement initiatives. The nobles who were drawn to the new boards were largely activist in attitude and immediately began exceeding the limited government vision for the new institution. As the zemstvos continued, the elected boards often secured the services of the emerging Russian professional classes to carry out their mandate. This “third element” of medical and legal specialists, educators, social scientists and statisticians was often more liberal and vocal than its more established employers.

The reigns of Alexander III (1881-1892) and Nicholas II (1892-1917) saw a government in retreat from the full implications of the Great Reforms. In 1889, the government instituted a system of land captains in an effort to reassert direct state control over peasant affairs. These state appointed bureaucrats assumed many duties previously carried out by the zemstvos. As Nicholas II took the throne he reiterated his father’s policies, cautioning those “people, who have been carried away by senseless dreams of the

\[11\] Porter, The Zemstvo and the Emergence of Civil Society, 24-27.
participation of zemstvo representatives in the affairs of internal administration” to expect no sympathy from the crown.12

Despite this legacy of government suspicion, Russian civil society had achieved a measure of recognition within specialized areas. By 1914, the liberal leaders of Russian society could point to real, if limited, successes in the political and economic realm as a result of their efforts.13 For the organs of civil society, primarily the Unions of Zemstvos and Towns, the exigencies of the war represented freedom from the restrictions which had dogged their work. From its first efforts, the zemstvo movement had found its charters, granted in moments of state liberalism, strictly interpreted to limit its efforts to as narrow a field of action as possible. The legitimacy of the movement centered on the perception of zemstvo competency, even in the narrow field of support to the rural countryside. Where the government could not offer effective public health solutions, the zemstvos could train and equip *feldshers*, paramedical field practitioners, to care for the rural citizen. Where the government could offer only a vague estimation of the rural population, statisticians employed by the zemstvos produced detailed information on the Russian land. The Russo-Japanese War saw zemstvo activity expand into care for military wounded. With the opening of the First World War, military medical care would provide the entrée to a seemingly unlimited range of opportunities. By serving the war effort as patriotic Russians, civil society sought to underscore the efficacy and thus the legitimacy of its

12Nicholas II; quoted in ibid., 44.

organizations.

INDUSTRY

Within the context of this study, Russian industry plays two distinct roles. First, the inability of Russian industry to produce sufficient munitions during the First World War created the need for overseas orders. While the Russian case was extreme, both Britain and France experienced similar failures. In general, these failures were the result of the widespread misunderstanding of the demands of industrial warfare and were not particular to Russian experience.

Second, the organized representatives of Russian industry functioned as a distinct element of Russian civil society. Organized representation of Russian industry was a more recent development than the zemstvo movement. In general, the long history of mutual interaction rendered industrial organizations less suspect in the eye of the government than social organs such as the zemstvos. Count Serge Witte, the influential Minister of Finance, had encouraged the development of representative organizations of industrialists and had used these organs to provide input to official policy.\(^{14}\)

The State Duma and other government institutions that emerged in 1906 presented a new venue for political action. Despite state efforts to encourage industrial development, Russian industrialists typically believed that the state was biased against industry, if only from a lack of understanding. The concern in industrial circles was that the new Duma would be dominated by agricultural interests, and that only organized action could insure a sympathetic hearing of industrial needs. While some elements of the

industrial community attempted to form a political party, their efforts ultimately coalesced into a nationwide Association of Industry and Trade.\(^\text{15}\) This Association would be active in Russian supply efforts in America during the First World War.

By means of introduction, chapter two of this study begins by outlining the disorder that characterized the first Russian supply efforts in the United States during 1914. Through this early period of the war, the full demand for military supplies had not yet been felt. Each Russian ministry conducted its own overseas purchasing with only the barest pretenses of coordination. Chapter three describes how these efforts were transformed by the shell crisis of 1915. The Russian government, like its British and French counterparts, failed to anticipate the artillery requirements of the renewed military operations that followed the winter. The haphazard placement of the previous year’s orders insured that this gap in supply could not be filled in the short term from overseas, despite the considerable funds that the Russian government had invested in these contracts. It was in the face of this government failure that representatives of the zemstvos and industry were incorporated into the formal overseas purchasing process.

The Russian government’s institutional inability to control and organize its own overseas orders caused the British government to embark on a series of increasingly coercive measures to impose order on the process. The capacity of American industry to produce specialized products such as shells, cartridges and railroad engines was large but finite, and the British were acutely aware how the competitive purchasing practices of the Russian government disrupted the market and increased costs. As described in chapter four, Russian dependence on British funding provided both the carrot and stick for what

\(^\text{15}\text{Ibid., 6-27.}\)
ultimately proved ineffective reforms. Russian purchasing reached its most mature form, described in chapter five, during mid-1916. Even with formal control mechanisms in place, Russian representatives conducted their affairs with an independence that thwarted organizational efforts. Chapter six departs from the chronological progression to examine in detail a single order placed by the zemstvo movement with the American Locomotive Company. Apologists for Russian liberalism have proposed that the failure of Russian wartime supply was caused strictly by government failures. The American Locomotive Company order was controlled entirely by zemstvo representatives in the United States, yet it experienced delays and mismanagement comparable to any government administered contract. Chapter seven concludes as the Supply Commission struggles to deal with the American entry into the war, and the collapse of the Imperial and Provisional Governments.

The Library of Congress transliteration system has been used throughout this work with the dual exceptions of names in common usage and names of those Russian representatives who adopted as their own a specific transliteration during their work in the United States and Britain. Dates are given in the Gregorian (new) style throughout, with the few exceptions in the Julian (old) style indicated in the text. During the twentieth century, the Julian calendar ran thirteen days behind the Gregorian calendar. Doing business with the Allies, most Russian representatives abroad used the Gregorian calendar in their papers.
CHAPTER II
THE EARLY WAR ORDERS

During the first months of the war, Russian government agents secured contracts for military supplies in almost every non-enemy industrial power on the globe. For all the energy these representatives expended, however, the lack of coordination between Russian agencies caused their efforts to be largely ineffective. As each ministry was competing for resources with no arbitrating authority, the largest share of funding went to the ministries that moved quickly to secure and spend available funding for their own needs. No effort was made to prioritize orders according to military need. Further, this competition encouraged the placement of orders quickly, often before contractors could be screened. As a result, early Russian orders were poorly planned and usually poorly executed.

The coming of war to Russia was greeted with an outpouring of support for the conflict, both spontaneous and official. Crowds filled the streets of St. Petersburg, while a growing wave of labor unrest was abruptly, if temporarily, halted in the capitol.¹ The State Duma met on July 26th in a one-day extravaganza of official support for the war. During the session, the Octobrist Duma chairman, Mikhail Rodzianko, asserted that “the war has put a sudden end to all our domestic strife [for] the Russian people has not known such a wave of patriotism since 1812.” Similar expressions were made by representatives of the other major parties, with the five Bolshevik deputies providing the only open

¹In recent years a number of historians questioned the extent of popular support that the war enjoyed in July 1914. Allan Wildman suggests that, while the enthusiasm of the educated elites was genuine, it was not shared by the peasants making up the majority of mobilized troops. Allan K. Wildman, The End of the Russian Imperial Army, vol. 1: The Old Army and the Soldiers’ Revolt (March - April 1917) (Princeton: Princeton University Press, 1980), 76-80.
dissent. This truce between branches of government, which Kadet leader Paul Miliukov later dubbed the “union sacrée,” represented a temporary change to the political landscape. “In no sense is the faction changing its attitude towards questions of internal affairs,” he said, “only postponing the parliamentary struggle until the general and national danger has passed.”

Overall, this stage-managed production presented to international audiences a picture of almost perfect unity.

In this unity, the national zemstvo movement perceived political opportunity. Acting in haste to preempt any government proscription, the movement gathered representatives of thirty-five local councils in Moscow on July 30, 1914. Between personal representatives and messages to the convention, every zemstvo in Russia except one elected to join an organization for the relief of the wounded. Dubbed the “All-Russian Union of Zemstvos,” its President, Prince Lvov again hastened to the Tsar to obtain his blessing. Approximately a week after the initial Moscow meeting, he explained to Nicholas that:

A Central Committee has been formed at Moscow, and provincial and district committees locally. The whole organization has been built, not according to rigid and elaborate statutes, but on the basis of a powerful desire for collaboration. Out of their own resources, the zemstvos have been able to assign 12,000,000 rubles for the relief of the wounded. Our function is to receive the wounded from the army, transfer them to the hospitals, heal our wounded soldiers and then send them back to their homes.

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That Nicholas expressed his support for the effort was unsurprising. Whatever his subordinates' misgivings about the voluntary associations, the Tsar could hardly stifle such a patriotic effort. The zemstvo effort was echoed by the newly formed All-Russian Union of Towns in August, and shortly after the two unions agreed to consolidate their relief efforts. This united front came to be known as the "Zemgor," although the zemstvos remained the dominant members of the union throughout the war.

While civil society was organizing for the war effort, the Russian government implemented its existing military plans for continental war. Thirty-five reserve infantry divisions were mobilized to augment the seventy-nine active units. The distances involved and the lack of transportation left the Russian mobilization timetable substantially behind that of Germany and Austria-Hungary. Nonetheless, by the second month of the war, Russia planned on supporting a field force of 5,300,000 troops.4

Russia had made a concerted effort to stockpile munitions to support these forces. The Tsarist government actually entered the First World War with an excess of 3 inch artillery shells according to the 1910 reserve standard. Similarly, the War Ministry met the 1910 goals for the total number of artillery pieces on hand. Significant deficiencies still existed, however, in reserves of heavier artillery shells.5 The immediate artillery deficiencies of World War I were not failures of the industrial base, but of military planning.6

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6In the years immediately prior to World War I, the Russian government had embarked on a major artillery rearmament project based on the lessons of the Russo-Japanese War. During the Russo-
As during the previous national emergencies, the Russian government expected to rely on foreign suppliers to augment domestic limitations. This wartime shift to foreign suppliers ran counter to the ostensible Russian policy of employing domestic manufacturers. This policy had been codified by Imperial decree as early as 1860, and had been reaffirmed in 1866, 1885 and 1900, but beyond expressing official policy it put no formal constraints on individual ministries placing foreign orders until 1902. Witte established a special commission to enforce the “Buy Russian” policy. The resulting regulations stipulated that overseas orders could only be placed for goods not produced in the Russia. Orders for which Russian manufacturers could not meet official specifications or which they declined could also be placed abroad. In accepting a state contract, a Russian manufacturer was required to use Russian materials if available. While the military in general seems to have been little affected by the new regulations, the 1902 rules severely restricted the thriving trade in American railroad engines and rolling stock. The

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Japanese War, the 1,276 artillery pieces employed had consumed some 918,000 shells. This figure of almost 720 rounds per gun during the course of the war became the basis of most future calculation. After several years of discussion, the War Ministry established a reserve requirement of one thousand shells per 3 inch gun. While an increase over earlier standards, the thousand round reserve represented approximately one hundred minutes of sustained fire at the maximum combat rate.

In 1910, a special commission of the General staff under General Polivanov reconsidered the ammunition reserve issue. The resulting figures were explicitly predicated on the idea that no future war would last more than a year and that ammunition reserves existed solely to fill the gap until industry could commence wartime production. The latter conclusion is particularly astonishing given the committee’s awareness of the failure of Russian industry to meet production needs during the Russo-Japanese War.

Lest the Russian failure be considered a unique case, the British Army used its experiences in the Boer War as the basis for its own artillery requirements. The 1905 British standard was five hundred rounds in the field per gun. When the war opened in 1914, the British standard stood at one thousand rounds per gun in the field, with an additional five hundred in reserve in Britain. British war planning also called for sufficient emergency contracts to be let at the outbreak of hostilities to provide an additional five hundred rounds per gun during the following six months. Goldstein, “Military Aspects of Russian Industrialization,” 147-52 and 173-80; David French, “The Military Background to the ‘Shell Crisis’ of May 1915,” Journal of Strategic Studies 2 (September 1979): 193-94.

Goldstein, “Military Aspects of Russian Industrialization,” 144-46.
Committee that granted exceptions of foreign purchase worked almost entirely in the interests of an organized cartel of suppliers and not only routinely declined to approve foreign orders, but prohibited performance guarantees in domestic contracts. As a result, Russian locomotives were on average 3,000 rubles more expensive than foreign engines, while freight cars were typically 300 rubles more expensive than an imported unit.\(^8\)

The effort to modernize Russian small arms during the 1890s represents a good example of the Russian attitude toward overseas military contracts. In 1891, the Russian Army adopted a modern, fixed-magazine, bolt-action rifle, which fired a smokeless powder cartridge, to replace the 1868 model. These Moisin-Nagant rifles were produced at three state-owned arsenals using machine tools largely imported from foreign firms. To supplement the slow production start up and expedite the issue of the new rifle, the War Ministry contracted with the French manufacturer Châtellerault for over 500,000 Russian-pattern weapons. Their delivery was delayed by the failure of the Ministry to provide the agreed upon manufacturing dies, but by April 1895 the entire order was fulfilled. With the initial need met, all subsequent Moisin-Nagant rifle production before World War I was conducted at the three state arsenals.\(^9\)

The failures of the Russo-Japanese War reinforced the use of foreign suppliers. During the first year of the war, the Russian field commander, General Aleksei Kuropatkin requested a range of supplemental weapons and ammunition, including 25,600 melinite explosive filled shells and 18,000 6 inch howitzer shells. None of the shells and very few

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\(^8\)During this period, the Russian ruble traded a between 1.5 and 2 roubles to the dollar. J. N. Westwood, *A History of Russian Railways* (London: George Allen and Unwin, 1964), 157-59.

\(^9\)Ibid., 82-87.
of the requested weapons were ever delivered. To make up for these shortfalls, the Ministry of War placed 16,900,000 rubles in orders abroad during the first year of the war, against 2,300,000 rubles the previous year. In 1906, foreign orders in the War Ministry quadrupled to 73,100,000 rubles.

Russia, however, conducted its foreign purchasing on a ministry by ministry basis. The natural habit of the Russian bureaucracy was to defend this prerogative, and the money and control which accompanied it, despite any effort to centralize purchasing. Even within the War Ministry, the Glavnoe Artilleriiskoe Upravlenie (Chief Artillery Directorate) remained virtually an independent entity with regard to foreign purchasing. While the organization of Russian purchasing never moved beyond the rudimentary stages, the first months of the war were anarchic even by Russian standards.

THE SHCHERBATSKII COMMISSION

One of the initial Russian supply efforts was headed by Acting State Councilor Shcherbatskii and was nominally attached to the Russian Embassy. The so called Shcherbatskii Commission was an ad hoc creation, staffed largely by Embassy personnel and, as a later commentator said, locally available Russians of the appropriate class. The implication was that purchasing military supplies would be a collateral duty, added to official or business employment. Ustinov, the Russian Council-General in New York, Vice-Council Baron O. A. Korf and K. P. Sherchenko, his aide, ran most of the operation. The latter two gentlemen very quickly became the center of the commission, as the

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remaining members either lived in other cities or were too senior to become involved in the details of contract negotiation. The commission had no authority to authorize orders, but instead forwarded information to the appropriate agency in Petrograd. Korf and Sherchenko were quickly overwhelmed.¹²

The haphazard nature of these early orders is well illustrated by the Russian government’s attempts to purchase icebreakers in North America. The transport of foreign goods to Russia was an immediate concern and would become a driving issue in Russian supply throughout the war. While the Royal Navy was able to insure England’s supply lines to North America, the Mediterranean and India, the German High Seas Fleet effectively cut the major merchant route through the Baltic Sea to St. Petersburg. With the exception of occasional passages by Allied warships, the Baltic would remain closed throughout the war. The next closest port to North American suppliers was Archangel, located in northern Russia inside the White Sea. In 1914, Archangel was a small port used principally for import of British coal. More importantly, however, the Gorlo Strait froze each year from December through March, closing the port. The Russian government had never before required the port to sustain year-round operation and realized the need to secure icebreakers to avoid closure. As an issue affecting the importation of goods, the requirement fell to the Ministry of Commerce, where it received high level attention.

The urgent requirement to purchase two large icebreakers was passed to the Russian Embassy in the United States, where it fell to Constantine J. Medzikhovsky, the Commercial Attaché. From a bureaucratic standpoint, the Commercial Attaché, as the

¹²For more on the reliability of this source, see below pages 131-32. Moisei I. Gaiduk, Utjur: Materialy i fakty o zagotovitel’noi deiatel’nosti russkikh voennykh komissii v Amerike (New York: Russkii Golos, 1918), 10-11.
Ministry’s representative, was the logical choice. However, prior to the war, Medzikhovsky had been primarily occupied with the encouragement of trade between America and Russia; his files reflect questions on tariffs and the *bona fides* of corporations. After the war began, his work shifted to answering American questions on Russian export restrictions and securing the necessary certificates for American companies to purchase Russian raw materials. Certainly the purchase of two ships was new ground for the Commercial Attaché.

While Medzikhovsky would ultimately prove a true “jack-of-all-trades” for the Russian war effort, his role as ship broker posed more problems than simple unfamiliarity. As a diplomat accredited to the Embassy, his direct involvement in a military supply issue raised the specter of violating international laws concerning neutrals. Perhaps the fact that the icebreakers, while for wartime government service, were not to receive naval commissions was thought to avoid these concerns. The American respect for the forms of neutrality, however, was strong, and there was significant domestic opposition to any American trade with combatant nations. Even as Medikhovsky was striking his first deal, the British government was consciously deciding to keep the nascent British purchasing mission completely separate from their diplomatic structure.13 The Russian government would ultimately follow.

The war was hardly a month old when Medzikhovsky found his first icebreaker in Canada. Responding to the prospect, the Russian Minister of Commerce telegraphed, instructing the attaché to “go immediately [to] Montreal for inspection with expert . . . if

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satisfactory sign contract." What Medzikhovsky had found was the S.S. J. L. HORNE, owned by the Great Lakes Dredging Company for use on Lake Superior and available for transit to Archangel in five weeks. After his inspection, he traveled to Ottawa, where he appealed to the Canadian government to loan a second icebreaker to the Russians. While no loan was forthcoming, the Canadians were willing to sell the Canadian Naval Service Icebreaker EARL GREY for £100,000. The Russians accepted both vessels, and within a month had transferred funds for the EARL GREY. With the transfer, Medzikhovsky asked the Canadian government to "use all means" to expedite the sailing of the EARL GREY as the Russians feared that without it navigation to Archangel would be closed in the coming winter.

With the vessels secured, the next logical step was to hire crews willing to sail them through the war zone. Unfortunately, too many authorities set out to answer the need. In early October, Furness, Withy and Company, the shipping line outfitting HORNE for its journey, wrote Medzikhovsky to say that, to their surprise, a Russian master, Captain Wimbe, had arrived with a crew for the steamer. Wimbe, they wrote, "was making considerable difficulty about crossing on her... he claims that the boat cannot make the voyage safely." Asking that the attaché travel to Montreal and sort the matter

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14United States, National Archives and Records Administration, National Archives II, College Park, Maryland, Records Group 261, Records of Former Russian Agencies in the United States (hereafter RG 261), Records of the Agent of Trade and Industry, Timacheff, Minister of Commerce, to Medzikhovsky, Western Union Cablegram, August 25, 1914.


out, they commented that “we are satisfied that nothing . . . will be done with him until you have seen him.” 17 The Company’s confusion surrounding Wimbe and his crew was understandable. When the matter was clarified, it emerged that the newly established Russian Government Committee in London, at the behest of the Ministry of Commerce, had contracted through R. Martins and Company, an English firm handling most of that Committee’s shipping issues, to secure personnel for the vessel. Furness, Withy and Company, contracted by Medzikhovsky, had no warning before the crew arrived from England. It is not clear which crew was aboard when the two vessels finally departed Canada in mid-October. EARL GREY, probably with a Canadian Naval Service crew, arrived in Archangel without difficulty, where the Ministry of Commerce renamed her the KANADA. The HORNE made an unscheduled stop in Halifax, where Furness, Withy and Company sent a new master. The replacement dismissed Captain Wimbe and had him arrested, seemingly on charges that he had declined to sail his vessel to Archangel. Wimbe telegraphed Medzikhovsky, pleading that he had “not declined or refused to proceed to Archangel with the HORNE [but] was forced to put in here [in Halifax] owning to crew refusing to proceed.” 18 Presumably, HORNE reached Archangel under its new master. 19 Medzikhovsky would continue his icebreaker purchasing efforts into mid-1915, securing


19EARL GREY was returned to Canada along with the J. D. HAZEN, a later Canadian transfer, during the Allied occupation of Archangel in 1918. Jane’s Fighting Ships of World War One (Jane’s Publishing Company, 1919; reprint, New York: Crown Publishers, 1990), 100.
at least one more vessel, S.S. LINTROSE, for service in Archangel.20

The continuing orders for the port of Archangel indicate the seeds of Russian failure. The Ministry of Commerce followed the Canadian icebreakers with a series of orders for barges in November, wharves in December, railway improvements in January, additional icebreakers in February, a floating dock in April and so on. Even here, where one ministry was charged with a task, it failed to produce a comprehensive plan to prioritize and carry out the expansion of the port. Instead, the ministry addressed each of these orders to the Council of Ministers as an extraordinary expenditure, thwarting any attempt at budgeting.21

Medzikhovsky’s experience, however, also pointed out several broader perils of the early Russian war orders. Concerns over Embassy personnel conducting war purchasing would be relieved by upcoming bureaucratic changes, but Russian contracts would continue to be plagued by difficulties between contractors and Russian technical personnel. While Captain Wimbe is the only Russian on record as being arrested, certainly other manufacturers would have coveted a similar opportunity to be relieved of their Russian technicians. The lack of coordination between the triangle of authorities and agents in St. Petersburg, London and America would continue, and high priority orders would continue to suffer as a result.

This triangle of authority became pivotal to the Russian orders placed with the Canadian Car and Foundry Company during the first year of the war. These orders,

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20RG 261, Records of the Agent of Trade and Industry, Record of Voyage of S.S. LINTROSE from St. Johns, Nfld., to Archangel, Russia.

because of their size and the extent of difficulty they ultimately presented to both Russian and British supply authorities, have become perhaps the most notorious of the Russian orders.22 The orders actually began with the August 1914 request of Lord Kitchener to Sam Hughes, the Canadian Minister of Militia, for assistance in placing British orders in the Canadian market. Hughes, a Conservative politician not adverse to rewarding associates, recommended a friend, J. Wesley Allison. Allison, who would eventually be referenced in a British Foreign Ministry report as “the most notorious black-leg in Canada,” was, in Hughes’ plan, to be part of a committee to handle British purchasing in Canada.23 Kitchener’s reply to this enthusiastic proposal was ambiguous, and Hughes took that ambiguity as license. Hughes gave Allison an honorary commission as a Canadian militia colonel and transmitted to the Russian Ambassador in Washington that:

   The Minister of Militia and Defense for Canada ... has officially instructed Colonel J. Wesley Addison [sic] to aid the allies in every way possible in purchases of requirements at lowest prices wherever his services are required.24

   Allison first sought to interest the Russian Ambassador to the United States in his services. He was rebuffed, but the defuse nature of Russian purchasing authority left him alternatives. With his blank check from Hughes, Allison traveled to London, where he installed himself in the Savoy hotel and negotiated orders for the "Canadian Purchasing Syndicate." His efforts were eventually brought to the attention of Sir Robert Borden, the

22The Canadian Car order is used to good effect to illustrate the overall Russian supply effort in Keith E. Neilson, “Russian Foreign Purchasing in the Great War: A Test Case,” *Slavonic and Eastern European Review* 60 (October 1982): 572-90.


24E. Macadam, Secretary to Hughes, to Russian Ambassador, October 13, 1914; quoted in ibid., 574.
Canadian Prime Minister. Because of Allison’s connections to Hughes and Hughes’ stature within the ruling Conservative party, Borden could pass only an informal warning against doing business with Allison to the Acting Canadian High Commissioner in London.

Meanwhile, an associate of Allison, Colonel Herbert Mackie, traveled to Petrograd and achieved enough success in official circles to allow Allison to represent himself in London as an agent of the Russian government. Such was the disorder in Russian government affairs that the actual Russian representatives in Britain had difficulty determining his true status. Despite their questionable bona fides, Allison and Mackie succeeded in securing a Russian contract for 2,000,000 shells, deliverable in August 1915.25

The Russian government was concerned enough in early 1915 to inquire of the Canadian government as to the chances of the contract being satisfied. By the time the Russian government thought to inquire, the Canadian government had closed ranks behind the deal. The lucrative war orders placed in the United States in 1914 produced the feeling in Canadian circles that Canadian industry was receiving a disproportionately small part of the war trade. The government also knew that Allison had brokered the Russian shell order to the Canadian Car and Foundry Company, a firm with strong Conservative political connections and a desire for war orders. The company had sent its own representatives to Petrograd in late 1914, and eventually secured orders for an additional 3,000,000 shells. Thus, by March 1915, a firm with no experience in munitions held

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orders for 5,000,000 urgently needed shells worth $82,000,000. The results of this mistake would play out though the remainder of the war.

The tangled web of authorities maintaining supply representatives in America was to get worse before it got better. Unsurprisingly, American manufacturers did not hesitate to use Allied confusion and competition to increase prices. During early 1915, Britain, France, Russia and Belgium were each bidding for the limited American explosives production capacity. In one case, the British War Office had hesitated to sign a particular contract given the price quoted, only to have the Belgians purchase the entire lot at an even higher price. All four nations negotiated with Dupont, though the British withdrew from the proceedings when they discovered that the company was playing them against the Russians. J. P. Morgan and Company commented that the American market in metals and machinery had been “violently deranged” by the weight of Russian orders.

Beyond the Byzantine maze of Russian purchasing authority, the larger and more complex problem of inter-Allied coordination loomed. Particularly during the early days of the war, each ally was attempting to place contracts with a limited capacity for military production. If not addressed, the prospect loomed of the Allies bidding up the price of war supplies to their collective detriment. French had anticipated the problem less than a month into the conflict, when the French ambassador to Britain proposed a joint Anglo-French committee to coordinate Allied orders. Within two weeks, the board had expanded into the Commission Internationale de Ravitaillement, which the British

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26Ibid., 580.

administered as part of their Board of Trade.\textsuperscript{28} Initially made up of Britain, France and Belgium, the board eventually included Serbia, Portugal, Japan, Italy and Romania.\textsuperscript{29} As the Russians sought to expand their purchasing in Britain, it was natural that they be included in membership, if only but they could disrupt Allied supply efforts if excluded.

The President of the Board of Trade commented that:

If the Russian Gov't would make its purchases by the same method as the French Gov't in conjunction with our Admiralty & War Office, we should by that means avoid competing against each other to our mutual detriment. We could moreover give [the Russians] full detailed information and suggestions as in the case of the French purchases.\textsuperscript{30}

The Russians accepted the invitation, and detailed the Commercial Attaché to Britain, along with the military and naval attaches, as representatives to the committee.

Even as the \textit{Commission Internationale de Ravitaillement} was being formed, the British and Russians established a separate Anglo-Russian Committee of Supply. Russian Ambassador Benkendorf attended its first meeting on September 27, 1914.\textsuperscript{31} In January 1915, the Anglo-Russian Committee of Supply, along with the Russian representatives to the \textit{Commission Internationale de Ravitaillement}, was folded into the newly established Russian government Committee under General Timchenko-Ruban. The Russian Government Committee was to be the senior oversight board for the coordination of

\textsuperscript{28}Burk, \textit{Britain, America and the Sinews of War}, 44-45.


\textsuperscript{31}D. S. Babichev, "Deiatel'nost' russkogo pravitel'stvennogo komiteta v Londone v gody pervoi mirovoi voiny, (1914-1917)" \textit{Istoricheskie Zapiski} 57 (1956): 276-77.
Russian orders abroad, a writ it never entirely achieved.32

THE SAPOJNIKOV MISSION

Beyond the London Committee, the Russians were attempting to organize purchasing in the United States. Seeing that the Shcherbatskii Commission was overwhelmed attempting to handle orders from the various ministries in Petrograd, the Russian Ambassador appointed the Embassy’s Military Agent, Colonel Golevskii, to handle military orders in the United States. As Medzikhovsky’s military counterpart, he was a logical choice.33 Golevskii was energetic, but was quickly overrun by the number of Americans seeking military contracts. In October, he wrote Petrograd to explain these difficulties and request that Russian supply efforts in the United States be vested with sufficient seniority to permit decisions to be made without constant referral to Petrograd.

The reply to Golevskii was the appointment of Major General A. V. Sapojnikov to head Russian supply efforts in the United States. While primarily acting on behalf of the Ministry of War, Korf and Sherchenko also fell under his authority. Sapojnikov was later attacked for his style of living while in the United States. Prior to his arrival, the entire Russian supply effort was run from the Russian Council’s office in the Flatiron Building in New York City, with a total expenditure of $350.00 per month, $300 of which was for a secretary. While this effort was totally inadequate, it provided a rather stark contrast against the cost of the accommodations General Sapojnikov took at the Waldorf-Astoria Hotel.34 Sapojnikov made it clear in his reports to his superiors that his accommodations,

32Neilson, Strategy and Supply, 66.
33Gaiduk, Utitur, 13.
34Ibid., 28-29.
as well as the numerous social engagements which occupied his time were essential "to save face before American society." Certainly as the officer controlling millions in Russian orders, Sapojnikov was on the guest list of every industrialist of consequence in the region.\(^\text{35}\) Shortly after his arrival, Sapojnikov was involved in a serious automobile accident while on a social outing. The car hit a telegraph pole and rolled over, killing one passenger and injuring the others. The general was only slightly injured. His detractors contend that his official reports on the incident to Petrograd not only falsely stated that the accident occurred while the staff was performing official duties, but that the general had recommended himself for a wound badge for his injury.\(^\text{36}\)

Beyond personnel problems, the Russians faced the problem of financing their war purchases. In many circles, the Russian need for outside financial assistance came as a surprise. Russia entered the war with the largest gold reserve in Europe, valued at some 1,700,000,000 rubles, a declining national debt and a trade surplus of 146,100,000 rubles. In money as munitions, however, the demands of war exceeded all projections. By the end of 1914, the Russian trade deficit would reach 141,900,000 rubles.\(^\text{37}\) In September, the Russian Ambassador to Britain had proposed that a Russian line of credit of some £15,000,000, secured by either Russian State Bank gold reserves or treasury bonds, be made available. The British Treasury agreed to extend £20,000,000 in credit, secured by £12,000,000 in Russian treasury bonds and £8,000,000 in gold to be shipped to Britain.

\(^{35}\text{Ibid.}, 29.\)

\(^{36}\text{Ibid.}, 29-30.\)

\(^{37}\text{Daphne Stassin Herzstein, "The Diplomacy of Allied Credit Advanced to Russia in World War I" (Ph.D. diss., New York University, 1972), 61.}\)
The credit, however, came with strings attached. The August suspension of the redemption of Russian currency in gold had left Russian firms abroad with no means of securing foreign exchange, and a number of private Russian pre-war debts were going unpaid. The loan could be used for these debts or for purchases in Britain. At this point of the war, however, Britain was not prepared to finance Russian purchasing in America.\footnote{Neilson, \textit{Strategy and Supply}, 54-56; Herzstein, "The Diplomacy of Allied Credit," 83-92.}

This first attempt a British financial support illustrates two recurring difficulties for Anglo-Russian cooperation. First, the British government habitually attached conditions to the use of funds loaned to Russia. These conditions created resentment among the Russians, who, with some justification, pointed out that they were offering collateral and paying interest on these funds. They should be free to use them as they saw fit.\footnote{Herzstein, "The Diplomacy of Allied Credit," 83-92.} By 1916, British control of Russian financial support would be used to force the Russian government to coordinate its supply activities in North America. Second, the British insistence on physically shipping gold from Russia to Britain would continue to be a point of contention. Britain saw one of its primary roles in the Allied coalition as the maintenance of a stable, convertible currency that would give the Allies a ready medium of exchange in international markets. Of course, this role also continued the pre- and post-war British goal of maintaining the Pound Sterling as the standard of international exchange, and with it, British financial dominance. The gold transfers, which the British saw as essential to mutual Allied interest in a strong pound, looked to the Russians like
British penury.40

As British restrictions drove Russia into American financial markets, Russia confronted two ongoing problems in dealing with America. First, any trade or financial dealings were complicated by the lack of a trade agreement between the two nations. An 1832 Trade Treaty had been in force until 1911, when it foundered on an issue of equal protection for Jews. The treaty had required that the trade representatives from each nation be afforded the same protections as native citizens. The Russian government interpreted this article as requiring only that visiting American Jews be treated as a Russian Jew would be. Thus, American Jews attempting to do business in Russia were required to secure special permissions from the Interior Ministry and found themselves restricted to specific geographic areas. In December 1911, the House had voted three hundred to one to end the treaty and the Taft Administration had complied.41 For Russo-American relations, the problem of Jewish rights would remain a stumbling block to trade relations throughout the war, particularly as the Russian government never understood the depth of American feeling over the issue. Ostracized in reaction to the treaty abrogation, the American ambassador resigned in 1912, and the post remained vacant until 1916.42

The second difficulty facing Russian trade efforts was the issue of American neutrality. The neutrality issue was particularly nettlesome in late 1914 as the American government had not yet defined its policies toward belligerents. Secretary of State


42Ibid., 13.
William J. Bryan had argued that private American loans to any belligerent would oblige the United States government to permit loans to all belligerents, that such actions could divide the country between supporters of various hostile powers, and that the denial of credits to all sides would shorten the war. When J. P. Morgan and Company inquired as to the official view of loans to foreign belligerents, Bryan wrote that:

There is no reason why loans should not be made to the governments of neutral nations, but in the judgment of this government, loans by American bankers to any foreign nation which is at war are inconsistent with the true spirit of neutrality.  

Robert Lansing, at the time a Counselor for the State Department, argued that, since American citizens could enlist with belligerent armies, private capital should be no more restricted.  

While this internal disagreement played out, the Russian government was inquiring both formally and informally as to the availability of American capital. On October 20, 1914, Ambassador Iurii Petrovich Bakhmetev formally requested a statement of the U. S. government policy. The request arrived as the State Department was considering a French request, made through the National City Bank of New York, for $10,000,000 in credits for purchases in America. The Bank and the French asserted that this proposal was different than previously, rejected proposals in that the funds were bank credits for purchases in America, vice bonds being sold at large. The October 20 Russian proposal

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43 Bryant; quoted in Herzstein, "The Diplomacy of Allied Credit," 65.

44 Ibid.

45 As a point of occasional confusion, Ambassador Iurii Petrovich Bakhmetev is no relation of Boris A. Bakhmeteff, representative of the Central War-Industries Committee and later Provisional Government Ambassador to the United States.
was also through National City Bank, and followed similar lines. In an October 23 meeting with Lansing, President Wilson conceded the distinction between war loans and credits, offering that commercial credits were “merely a means of facilitating trade by a system . . . which will avoid the clumsy and impractical method of cash payments.”46 This perhaps fragile distinction opened the door for what was to become millions in credits to the Russian.47

The political case for credits was strengthened by the host of American suppliers who were eagerly positioning themselves to fill Allied war needs. The Russian trade was regarded as particularly lucrative. The National Association of Manufacturers advocated making American credit available to Russia, convinced that failure would result in Russian war orders bypassing America for Britain.48

While the question of American financing was still being settled, however, the British Treasury had softened its stand on the British government loan to Russia. While primarily for British purchases, Treasury agreed that funds could be spent outside Britain for items not available from British sources. The Russians, still balking at the gold transfer, accepted the £12,000,000 loan backed by bonds, and the agreement was signed on October 26.49 The loan was to prove less adequate than the Russians had hoped, and by December, the Russian government was seeking an additional £40,000,000 loan from Britain, which was granted in January. During the first six months of the war, the Russian

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46 Memorandum by Lansing of meeting with Wilson; quoted in Herzstein, “The Diplomacy of Allied Credit,” 75.

47 Grayson, Russian-American Relations in World War I, 30-32.

48 Ibid., 77.

49 Neilson, Strategy and Supply, 55.
government received from Britain and the United States some 1,395,000,000 rubles in credits for war supplies. 50

The need for Allied financial coordination led to the first conference of Allied finance ministers, held in Paris on February 4 and 5, 1915. The Allies had realized that credit, like industrial capacity, was a finite resource, and that uncoordinated bidding for funds would create a similar rise in costs. In December 1914, a French banker doing business in Russia had proposed that combining all Allied credit requirements and guaranteeing them as a block would vastly simplify war finance. The Russians, with the weakest finances of the three major Allies, embraced the idea. 51 While the British and French embraced the principle, the question of implementation in light of Russian needs dominated the conference. The British conceded that depleting the Russian gold reserves would likely destabilize the Russian currency. Instead, the British proposed shipping Russian gold to London, where it would ostensibly remain part of the Russian gold reserve, but would be available as backing for Allied credits. Both Russia and France were each to provide Britain with £12,000,000 in gold. The Russian government would be authorized to raise £100,000,000 by issuing notes, backed by Britain and France, on the French and British financial markets. Until the offer could be made, the British and French governments agreed to extend Russia £25,000,000 each, to be repaid from the proceeds of the offering. 52


52 Neilson, Strategy and Supply, 67-68; Burk, Britain, America and the Sinews of War, 45-46.
Beyond purely financial concerns, however, the British also broached the issue of coordinating orders placed in the United States. Even at this early date, the British were acutely aware of the competition between various Russian ministries. In response to a similar problem, Britain had commissioned J. P. Morgan and Company as their exclusive American representatives at the start of 1915 and proposed unifying all Allied purchasing in America through Morgan. The Russian Finance Minister, Peter L. Bark, had already departed Paris when the question was raised, leaving Ignatiev, the Russian War Ministry representative, as the Russian spokesman. With no instructions on the matter, Ignatiev offered the view that Russia would insist on preserving its independence in purchasing decisions. As the French delegation was divided on the issue, Lord Kitchener proposed that the matter be postponed until the results of the main conference had been approved by the respective governments. In actuality, Bark had supported the idea of unified purchasing, but had not instructed Ignatiev on the topic. Ignatiev’s instinct to defend bureaucratic prerogatives, however, was closer to the views of the Russian government, and Morgan never became an official Russian representative.53

J. P. MORGAN AND COMPANY

The role of J. P. Morgan and Company in British and, subsequently, Russian supply purchases in America forms one of the most unique chapters of the war. By trade, Morgan was a New York based finance house, with associated firms in London and Paris. Though its key role in Allied finances was established virtually at the war’s beginning, the firm had no experience in purchasing or manufacturing. Yet, as early as September 1914, the firm received a request from the French government to act as its agent in the purchase

of ten thousand horses in the United States. Several months later, Henry Davison, the firm’s London representative, received an unsolicited proposal from Lloyd George, then Chancellor of the Exchequer, that Morgan act as the sole British purchasing agent in North America. At the point of the proposal, the problems of British purchasing arrangements in North America had become evident. Britain was dealing with unfamiliar firms and had continual difficulties coordinating its contracting and financial efforts. Combining these functions in one firm of unimpeachable soundness and evident pro-Allied sentiments, intimately familiar with American corporations, would be a great boon to the supply effort.\(^\text{54}\)

For Morgan, the unexpected offer required that the firm acquire a completely new set of skills. Morgan hired Edward R. Stettinius, an executive of the Diamond Match Company, to oversee the newly formed Export Department. As he later observed: “when the official announcement came on January 15, 1915, the Morgan & Company had been appointed commercial agents for the British government, nobody realized what the duties would mean.”\(^\text{55}\) Morgan had so little appreciation for the scope of the enterprise which they had entered that Stettinius’ initial appointment was part-time and his pay was a small commission on the contracts placed.\(^\text{56}\) Whatever their original thoughts, Morgan quickly learned the nature of the British supply business. Stettinius recalled that, within days of


\(^{56}\)The flood of British orders made Stettinius’ commission arrangement so lucrative that Morgan quickly bought him out, making him a partner in the firm in effective January 1, 1916. For 1915, his commissions from British orders totaled $500,000. Forbes, *Stettinius, Sr.*, 48-49.
the announcement, the firm was:

overrun, not with hundreds, but thousands of people anxious to sell all kinds of things. There were manufacturers, both responsible and irresponsible . . . merchants, commission agents, horse dealers, inventors, and war brokers by the score. After listening to . . . the typical war broker, you would have thought that four or five million rifles, one or two billion rounds of rifle cartridges . . . could be picked up almost anywhere for immediate delivery. Everything was in a state of chaos.57

While Morgan was never formally a purchasing representative of the Russian government in America, the British insistence that British funded orders be placed solely through them intertwined the fates of the firm and the Russian Supply Commission. Between 1915 and 1917, Morgan would handle 44% of all Russian orders from America.58 Further, the Russian government would, like the French, use Morgan as a broker in a range of financial transactions.

On January 23, 1915, the Russian government concluded a $25,000,000 credit arrangement with a group of New York banks. The money was intended to finance Russian war purchases in the United States over the following three months, with J. P. Morgan and Company acting as financial representatives in the deal.59 While the cause and effect are unproved, this loan arrangement probably made possible the crowning achievement of the early Russian supply efforts in America. On January 24, 1915, the Russians signed a contract with the Remington Arms Company for 1,000,000 Russian model 1891 rifles. It would remain one of the single largest deals of the war.60

59 Ibid., 80.
60 Gaiduk, Utur, 20.
If the Russians were willing to take Allied money, they were proving less willing to take Allied advice. In January 1915, the French government sent a technical mission to Russia to assist with shell production. After their inspections, the mission made four suggestions to the Russians: simplify the type of fuses being produced, relax inspection rules, militarize labor in the coal mines to insure a constant supply and reorganize the rail system to insure raw materials were always available. Only the first suggestion was even partially adopted.61

Statistically, the scope of Russian orders during the early period was impressive. By the end of 1914, Russia had placed orders for over $100,000,000 in vital war equipment in the United States.62 The absence of any coordinating body within the Russian government, however, insured that these orders were placed without regard to their priority for the war effort. Instead, each ministry acted in competition, seizing as much of the available capacity for its own needs as possible.

Further, the competition between ministries for resources encouraged them to place orders quickly, before other agencies could obligate available funds. This arrangement produced a climate that discouraged careful screening of contractors. There was, however, a vast gulf between placing orders for supplies and delivering the goods to the front. In spring 1915, the full scope of the difference would strike the purchasing effort, the Russian Army and the entire nation.


CHAPTER III
THE CRISIS BREAKS

Russian purchasing agents in the United States had secured an impressive list of contracts during 1914. Most of these orders anticipated delivery beginning in the spring and summer of 1915. Russian agents, however, had placed most orders with firms largely inexperienced in munitions production, resulting in cost overruns and delays. The realization that Russian orders had been invested in firms not able to deliver struck the Russian government just as the shortage of ammunition became most acute.

Of five major powers heavily engaged in the opening of World War I, not one anticipated the incredible rate of munitions consumption that the war would demand. The mass employment of quick firing artillery, in particular, drained even the most extravagant pre-war reserves, leaving each of the three major Allies to experience a “shell crisis” during the spring of 1915. While military circles in Britain had known of shortfalls in shell supplies since the previous fall, the shell crisis sprang fully formed into the public conscience with the May 14 issue of the Times. Writing of the failed British attack on Aubers Ridge, the Times military correspondent wrote that the British “had not sufficient high explosive to level the enemy’s parapets to the ground . . . The want of an unlimited supply of high explosive was a fatal bar to our success.”¹ The resulting furor contributed to the replacement of the Asquith government by a coalition cabinet and the installation of Lloyd George as Minister of Munitions.²

¹Times (London), May 14, 1915.

In Russia, as in Britain, military and governmental figures were reluctant to concede that the regime was failing to provide adequate munitions to the front. In an environment of increasing denial and avoidance, the Minister of War, General V. A. Sukhomlinov, was particularly noteworthy in his refusal to admit to the shortages that were becoming increasingly apparent. The French Ambassador in Petrograd, Maurice Paléologue, recorded on December 8, 1914, that he was “getting reports from many quarters that the Russian Army is running short of gun ammunition and rifles.” In search of official information, he met with Sukhominov, who, he wrote:

...gave me a very friendly reception. Between his heavy eyelids a winking smile made the little wrinkles on his brows contract. His whole personality breathes physical exhaustion and deceit. I questioned him very closely. He kept on answering ‘Don’t worry; I’ve prepared for everything,’ and he produced for me the most comforting figures.³

Nine days later, Grand Duke Nicholas, Commander-in Chief of the Russian Army, informed Paléologue that the Russian Army would be discontinuing offensive operations because of a lack of artillery shells. Paléologue met with Sazonov, the Minister of Foreign Affairs, the same day to complain that:

General Sukhomlinov has assured me a dozen times . . . that all precautions had been taken to secure that Russian artillery should always have an abundant supply of ammunition. . . . I have emphasized to him the enormous consumption which has become the normal scale of battles. He . . . vowed that he was in a position to satisfy all requirements and meet all eventualities. He even gave me written proof.⁴

The next day, he received from General M. A. Beliaev, the Chief of Staff of the Army,

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⁴Ibid., 221.
something approaching a comprehensive view of the situation. Beliaev confessed to shortages in both rifles and artillery shells. In desperation, the Russian Army was "about to purchase a million rifles in Japan and America." Based on projected Russian production, the artillery situation would be desperate until March, when, Beliaev stated, "the deliveries on orders we have placed abroad will begin to arrive."5

Even after the official admission, getting information on Russian needs and priorities was a major frustration for the Allies. By March, the Foreign Office cabled the British Ambassador that:

[the British] War Office is still in the dark as to extent of the [Russian supply] problem. The whole scheme of military operations is thereby compromised. Isolated appeals for assistance are of no use to us or to Russia. We must have a full, frank, reasoned and exact statement of total Russian requirements with particulars as to all orders placed abroad. . . .

If the shortage is really serious, the present . . . inability of the Artillery Department either to estimate its extent or to take measures against it is gravely disquieting. . . .6

This admission drove the previously discussed series of orders placed in America during early 1915. The crisis, however, was yet to come.

By spring, the munitions crisis in Russia had been officially, if inconsistently, acknowledged to the Allies for some six month, but was still carefully concealed from Russian society. The general perception throughout the government and business communities was that the nation was best served by attempting to maintain pre-war production methods as far as possible, and that the natural functioning of business would

5Ibid., 221-22.

6Foreign Ministry to Buchanan, March 1, 1915; quoted in Herzstein, "The Diplomacy of Allied Credit," 142.
provide for the country’s needs. As Seman Zagorsky commented in 1928, “the aim of an economic policy was to leave everything unchanged, as it was before the War.” Prior to the public outcry over the shell crisis, the government confined itself to expanding the Army’s right to requisition goods under an existing 1869 law. Not until September 1914 did the government require that factories fill military orders on a priority basis, where before businesses had the right to reject government work in favor of more profitable civilian orders.  

The Russian retreat from Galicia in May, followed by the virtual abandonment of Poland through the summer, however, forced the truth into public circles. The British Military attaché, General Knox, recounted the experiences of a Guards battery commander:

in the retreat infantry officers used to come to him to implore him to fire ‘just one or two shots’ to help them . . . and he had to refuse . . . they sometimes asked, ‘Is it true what they tell us, that you have no shell left?’ and he had to lie and say that it was not true, but that he was keeping the ammunition for a critical moment. Then they used to say, ‘All right, but when will that critical moment be if not now?’

But even as the Russian Army was losing vast territories, Knox observed that “most Russian officers . . . thought it was their duty to give me an optimistic view of the situation. . . . It was only months later that artillery officers told me of . . . their powerlessness to help the infantry.” In fact, during the May breakthrough, the German

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8Knox, *With the Russian Army*, vol. 1, 319-20.

9Ibid.
Eleventh Army possessed a million shells, while the Russian Army opposing them held just over 100,000.  

THE GOVERNMENT AND THE CRISIS

In mid-May, several prominent Duma officials, including Chairman Rodzianko and the Progressist Deputy Efremov, returned to the Duma from the Galician Front. Their first-hand reports of the armament situation destroyed once and for all the myth that the regime was coping with the demands of the war. Thrust into the public debate, the government, Duma and industrialists would all attempt to respond to the “shell crisis.”

The official government response was weak and ineffective. During May 1915 Tsar Nicholas II made a personal visit to the Front. Immediately prior to the Tsar’s arrival, the Duma Chairman, Rodzianko, had pressed Grand Duke Nicholas to support increased government control of armaments production. Upon hearing the Grand Duke’s report, the Tsar summoned Rodzianko to Headquarters. There, Rodzianko wrote, “the Emperor was pleased with the idea of a Special Council, and its outlines were drafted on the spot.” The Imperial ukase of May 19, 1915, formed a committee chaired by the Minister of War and including Duma representation. The Duma, particularly the Kadet

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10Norman Stone, author of the best general work in English on the Eastern Front, contends that the Russian military leadership “exaggerated” German artillery superiority as an excuse for their tactical failure, observing that the German artillery superiority in the East was no greater that the artillery superiority enjoyed by the Allies in the West. Regardless, the Russian and Allied perceptions of inferiority drove purchasing decisions. Stone, The Eastern Front, 144-47.


leadership, considered this an insufficient response and on June 7 the first committee was replaced in favor of a second, succinctly dubbed the “Special Council for the coordination of measures directed to the regular supply to the army of munitions and other materials during the present War.” This Special Council was also chaired by the Minister of War, and included the Duma President, four Duma deputies selected by the Emperor and four representatives of the industrial community. While the Special Council was granted powers to requisition property and direct factory orders, these were essentially the same powers granted the Minister of War in the fall of 1914. Other than the sop of Duma representation, the government had made no effective changes to its industrial policy.\textsuperscript{13}

CIVIL SOCIETY AND THE CRISIS

The most significant public impact of the shell crisis started in Russian industrial circles. The 9\textsuperscript{th} All-Russian Congress of the Association of Industry and Trade was held in Moscow in June 1915, even as Russian forces were yielding Galicia. The Association seemed an unlikely venue for a radical solution to Russian supply problems. Officially committed to business as usual, the schedule for the Congress bore little difference from those of pre-war meetings. On the second day, however, Riabushinskii, the prominent Moscow industrialist, broke from the established agenda to recount his recent travels to the front. Based on the shortages he had seen among the troops, he issued a call for industrial commitment to the war. The scheduled discussions ended and the Congress addressed the “self-mobilization” of Russian industry.\textsuperscript{14}

\textsuperscript{13}Zagorsky, \textit{State Control of Industry}, 83-85.

\textsuperscript{14}Siegelbaum, \textit{Politics of Industrial Mobilization}, 40-49.
During the Industrial Congress, industry labored to portray their "self-mobilization" as the correct and sufficient response to the crisis at hand. Resolutions called for the return of skilled laborers from the Army, the unlimited use of Chinese workers in European Russia and the use of refugees in war production. Most tangibly, the Congress established the Central War-Industries Committee. The Central War-Industries Committee consisted of nineteen departments, primarily separated by industry. Each department was further divided into sections specializing in some aspect of production. While the Central Committee was approved at the May Congress, what real effectiveness it had lay in the district committees that the Congress called on local industrial organization to form. Over the next several months, the industrial movement formed some seventy-one local committees and twenty-eight provincial committees. These committees met in July 1915 to adopt a constitution and finalize the Central Committee composition.

The most prominent interpretation of the motivations behind the War-Industries Committees emphasizes the industrialists' economic motivations. The committees were largely made up of Moscovite industrialists who had been largely excluded from the large war orders that the Russian government had concentrated in the Petrograd area industrial concerns. Elements within the organization also believe the "self-mobilization" of industry would preempt any government move to nationalize production. At some point in 1915,

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16The point is often lost that the authorization of the Central War-Industries Committee was the signal for the formation of the local committees and that the entire scheme was not in place until Fall of 1915. Zagorsky, *State Control of Industry*, 86-91.
the War-Industries Committees, however, elected to send representatives abroad, involving the Committees directly in activity which was not of direct financial gain to the small firms and Moscovite industries they represented. In the United States, the Central War-Industries Committee appointed Professor Boris A. Bakhmeteff and S. I. Gavrilov, both engineers, as representatives, while P. A. Morozov served as representative for the Moscow War-Industries Committee. Ordered to the United States in August, they would be charter members of the Russian Supply Commission in America.¹⁷

The news from the front also had a profound effect on political developments in Russia. As in Britain, the first news of ammunition shortages at the front was followed by reports, some accurate and some sensationalized, that the crisis had been coming for some months. In Russia, stories took the ominous turn of questioning the loyalty of responsible officials, particularly the War Minister, General Sukhomlinov.¹⁸ When the State Duma convened in July 1915, the major purpose of the sitting had become, in Miliukov’s words, “to identify those responsible for this national disaster. . . . [to] condemn the mistakes, and maybe crimes, which have lost us not only Galicia, which cost us many lives, but . . . maybe Poland.”¹⁹ For the moment, the “union sacrée” held, but it was clear that further government failures would increase the rift between liberal and government elements.

¹⁷S. L. Sergeeva, Voeno-promyshlennye komitety v gody pervoi mirovoi voiny (Moscow: Moscow State Automobile-Roadway Institute, 1996), 74; Gaiduk, Utitur, 62-63.


THE SPECIAL RELATIONSHIP BEGINS

In March, 1915, the British offered the Russians a contract for 5,000,000 shells with the American-based Bethlehem Steel Company, followed in April by a contract for 5,000,000 shells which they had brokered with the American Locomotive Company. Despite their acknowledged need for shells, the Artillery Department rebuffed both offers. Even when Lord Kitchener repeated the latter offer, the Department expressed an intent to place no further foreign orders. According the British Military Attaché, the Department was “bitter” over orders placed with the British firm Vickers.\(^2\) These orders for 1,200,000 shells had been issued in November 1914, along with a 41 million ruble advance, for delivery in early 1915.\(^2\) By April, the Russians had received no shells, and, as the spring campaigns pointed out their acute needs, understandably concluded that “there was nothing to be hoped for from other foreign firms.”\(^2\)

Kitchener was incensed at Russian accusations that Britain was not supporting its military efforts. In response, he provided the foreign minister with a memorandum outlining the ongoing British efforts. In one section Kitchener made clear his view that the lack of Russian supplies was entirely due to “the ineptitude of the Russian officials in not obtaining proper supplies of munitions.”\(^2\)

Determined that Russia needed foreign orders to sustain its war effort, Lord

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\(^2\)Knox, *With the Russian Army*, vol. 1, 273-75.

\(^2\)For their part, Vickers blamed their failure to deliver on the usual litany of problems with Russian contracts; failure of the Russians to provide components and guns for testing, confusing specifications and blueprints, and intractable Russian inspectors. Stone, *The Eastern Front*, 150-52.

\(^2\)Knox, *With the Russian Army*, vol. 1, 273.

\(^2\)Grey removed this section prior to forwarding the memo to the British Ambassador in Petrograd. Kitchener to Grey, August 5, 1915, quoted in Neilson, *Strategy and Supply*, 104.
Kitchener bypassed the British Military Attaché and dispatched Colonel Wilfred Ellershaw to the Stavka (Russian Supreme Military Headquarters) with a personal letter for Grand Duke Nicholas. Ellershaw's visit in mid-May succeeded beyond all expectations when the Grand Duke, by this time immersed in the retreat from Galicia, appointed Lord Kitchener as "his agent for the purchase of shells, rifles and ammunition."24

Kitchener's ability to circumvent the considered decision of the Glavnoe Artilleriiskoe Upravlenie reflected the unique military structure of Russia during the war. Russia essentially possessed two separate and often contentious administrations; the civil administration, including the Council of Ministers and the War Ministry, and the Stavka and its subordinate forces. The line between the two groups was primarily geographic. Within the zones of military administration, the Stavka's authority extended, or could be interpreted to extend, to virtually all civil matters. Jealous of their own authority, and with a history of rivalry even before the war, the two groups quickly developed the habit of making major decisions without consulting the other.25 While Sukhomlinov was a prime cause of the rift, his replacement in June 1915 revealed that the problem was institutional. The new War Minister, General A. A. Polivanov, was soon complaining that "the Stavka . . . [does] not communicate to the head of the war department any facts on the situation on the fighting lines."26 For its part, the War Ministry had gained a reputation with the Stavka for ignoring its pleas for increased ammunition supplies. The situation was

24Ibid., 273-74.


26Polivanov, quoted in ibid., 404.
exacerbated by the Russian Army's logistical arrangements. Because each major military command under the Stavka was essentially a peacetime military district transformed into a field command, army logistics planning and organization thought in terms of the movement of supplies from the rear of the zone to the front. No established linkage existed between the logistics organization of the geographic area and the national economy, and the War Ministry, logically if not formally responsible, never created a satisfactory arrangement. Given the situation, it is perhaps little surprise the Grand Duke would elect to trust a British Field Marshall over his own War Ministry to secure munitions for his troops.

Receiving notice of this sweeping development, the Foreign Office issued a statement to the Russian Foreign Minister via the British Ambassador that, while Lord Kitchener would attempt to secure munitions for Russia, His Majesty's Government could give no guarantees, especially in light of the Russian refusal of the March and April contract offers. In response, the Russian Foreign Minister testily listed the millions of shells and fuses already ordered in Britain and Canada over the comment that "so far there has been no delivery." The unwritten implication was clear. Russia needed Britain to expedite the contracts already let, not merely offer the opportunity to send more money abroad.

The Commission Internationale de Ravitaillement was certainly not the answer to the procurement problem. In February, 1915, one of the British representatives

\[\text{\footnotesize{\cite{Menning}}}\]

\[\text{\footnotesize{\cite{Menning}}}\]
commented that there was "no cohesion between the various Russian delegates, they all seem to take pride in each one going his own way and keeping his actions as secret from his colleagues as he possibly can." While their representatives were perhaps internally more cohesive, the other Allies also failed to employ the Commission as intended. The original Anglo-French agreement establishing the organization had allowed each nation to continue purchasing through separate channels. The French Ministry of Munitions never used the Commission, while the British Ministry of Munitions, once established, often ignored the organization because its British representatives were attached to the Board of Trade. As the Russians attempted to impose order on their own efforts, the Allies provided little inspiration. Unable to control new orders, the Commission had no influence over the existing contracts.

In May 1915, the Russians sent new leadership to Britain to attempt to expedite purchasing. Major General E. K. Hermonious and Colonel N. Beliaev both arrived as representatives of the Glavnoe Artilleriiskoe Upravlenie, but quickly expanded their influence beyond artillery orders. Hermonius, the one Russian praised by both his Allied contemporaries and the British official history, carried authority to resolve technical questions, primarily from American committee inspectors, which previously had been forwarded to Petrograd for decision. The measure of success he achieved in supply matters is more impressive considering that General Hermonius spoke no English. His

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29CIR to the Foreign Office, February 2, 1915; quoted in Herzstein, "The Diplomacy of Allied Credit," 140.


aide, in contrast, spoke English fluently, and had the additional benefit of being the nephew of General M. A. Beliaev, who was by this time serving as an Assistant Minister of War. 32

The Grand Duke Nicholas had requested that Kitchener find a way that Hermonius and Beliaev could control Russian purchasing in America. 33 Though Colonel Ellershaw’s return from Russia and Hermonius and Beliaev’s arrival occurred just weeks after the formation of the Ministry of Munitions, Kitchener’s personal interest in Russian supply motivated him to maintain Russian supply as a separate issue within his own organization. The result was the War Office Committee for the Purchase of Russian Supplies. The panel originally consisted of seven members: U. Wintor, the British Director of Army Contracts; Colonel (shortly thereafter Brigadier-General) Ellershaw; a representative each from the Ministry of Munitions and the Commission Internationale de Ravitaillement; and General Hermonius, Colonel Beliaev and de Routkowsky as the Russian representatives.

The official history of the Ministry of Munitions notes that the committee initially sought to place the Russian orders in Britain, but was forced to turn to the American market by a lack of industrial capacity. 34

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32 Colonel Beliaev’s uncle is the same General Beliaev whom Paléologue visited seeking details of the Russian munitions shortage. The Ambassador called the General “a hard worker and the soul of conscience and honour,” and his nephew also seems to have acquitted himself well. Paléologue, An Ambassador’s Memoirs, vol. 1, 221.

33 Herzstein, “The Diplomacy of Allied Credit,” 144-45.

For the Russians purchasing supplies in the United States, the new arrangement kindled hopes of a veritable flood of British money, and initially the Russians were not disappointed. On May 17, 1915, the British, probably referring to the Kitchener's "appointment," informed Morgan that Russia had granted them "practically a free hand" to arrange munitions orders and that inquiries were to be made immediately. On May 21, the War Office expanded its guidance, noting that any reasonable additional cost necessary to insure delivery of shells before the end of the year would be approved. Orders for Russia were, Morgan was told "the most urgent and vital of all the enquiries made through them."³⁵ By October 22, 1915, Morgan had placed £72,000,000 in orders for Russia, with another £21,000,000 authorized but not yet placed. This £93,000,000 approached the £107,000,000 in orders that Morgan had placed for Britain during the same period.³⁶

The initial placement of these orders was fraught with difficulty. While later the question of inspection would become the major problem in Russian orders, there were early difficulties in securing the necessary Russian technical specifications required to conclude the contracts. In the words of the official history, "sometimes they had to be sent for from London, sometimes from Russia, and when, after delay prejudicial to negotiations, they finally arrived they were found to be in Russian." Morgan, usually the great expeditor, refused to take responsibility for translation, and a number of orders waited for the arrival of a Russian government translation. While not entirely clear, the official history's reference to the "arrival" of the official translation suggests that the


³⁶Ibid., 11.
Russian Supply Committee in America did not, in the interests of speeding the war effort, undertake the translation itself. Whether it did or not, the official process was so extended that Morgan risked no little embarrassment by attempting to borrow the translated specifications from companies that already had Russian munitions contracts.\(^{37}\)

The flood of British-funded Russian orders placed in spring 1915 were entirely placed in the name of His Majesty’s Government on behalf of the Russians. It was a unique legal arrangement and later caused difficulties in resolving conflicts over orders. After the war, the British portrayed the move as an necessary extension of the British purchasing arrangement with Morgan. The British insisted on Morgan negotiating all orders that they funded. Morgan, however, would not sign a contract for the Russians as the Russian government had never formally appointed them as their agents. Further, Morgan expressed doubts that American firms would honor the unsecured credit of the Russian government.\(^{38}\) While these factors were true and argued for the British arrangement, the status of the contracts also served as a further guarantee of British control of Russian purchasing.

With the sum of British purchasing funneling through Morgan, not only did Russian and British interests conflict, but occasionally Russian interests worked against each other. In February 1915, J. P. Morgan and Company was forced to approach the Russian representatives in America and ask them to cease their inquires after certain munitions. The British government had previously tasked Morgan to place orders for the

\(^{37}\)Ibid., 41.

\(^{38}\)Ibid.
same munitions for Russia.39

The difficulties continued. In March 1915, the British government complained that Russian representatives had been making inquiries for the purchase of toluol, a critical chemical ingredient in explosives, at prices above what the British were paying, and had made so many inquiries after small arms ammunition that firms were reluctant to quote British orders in hope of more lucrative Russian bids. Morgan reported that this state of affairs continued through at least June 1915, when Russian inquiries after shells had driven up the cost of zinc.40

The root of the problem was that General Sapojnikov, and with him, the balance of the Russian representatives in America, felt no obligation to observe the strictures of the Commission Internationale de Ravitaillement or standing Anglo-Russian arrangements with regard to their own purchasing. In an attempt to solve the problem, in July, 1915, General Hermonius, accompanied by Colonel Ellershaw, made an inspection tour of Russian purchasing in the United States. In a parallel effort, the Ministry of Munitions sent D. A. Thomas to the United States. The result was a temporary improvement in Russian purchasing arrangements in the United States, but, ironically, a financial problem for the British Exchequer. While in America, Heronimus, Ellershaw and Thomas brokered a contract with the Winchester Repeating Arms Company for 200,000 rifles. The contract was necessary, but the visitors had, like the permanent delegation so many time before,

39Ibid., 39.
40Ibid., 41.
not considered the status of Russian credit before signing.\textsuperscript{41}

The cumulative effect of Kitchener's initiative to increase Russian supply orders abroad, however militarily sound, created a financial crisis for the British government, and subsequently for the Allies. The exchange value of the pound against the dollar had been slowly decreasing since December of 1914, when it stood at \$4.86. In June, Morgan had tested the waters for a major British loan issue and found that the market was not good. On July 20, Morgan informed the British that it could not purchase more dollars without driving the exchange rate to below \$4.77, a new low, yet the constant flow of contracts demanded exchange. Two days later, the British government failed to complete a contract entered into for the Russians due to a lack of dollars. Morgan arranged a short term loan guaranteed by British-owned American securities, but by August 14 the exchange rate had dropped to \$4.70\frac{1}{4} and Morgan held only \$4,000,000 to pay \$17,000,000 in contracts due the next week. The prospect of a British government default was real and immediate.\textsuperscript{42} Surveying the British position, a Treasury official wrote that "as regards September payments we shall be very hard put to ... meet existing commitments and any considerable addition to September cash liabilities ... will make debacle inevitable."\textsuperscript{43} At the same time, however, the Russians were in the market for an additional £30,000,000 in supplies.\textsuperscript{44}


\footnote{\textsuperscript{42}Burk, \textit{Britain, America and the Sinews of War}, 61-64.}

\footnote{\textsuperscript{43}Sir John Bradbury, Joint Permanent Secretary to the Treasury, August 31, 1915; quoted in Neilson, \textit{Strategy and Supply}, 106.}

\footnote{\textsuperscript{44}Ibid.
In response to the crisis, the British and French Finance Ministers held a conference in Boulogne, France, on August 20, 1915. The British presented their case that preservation of the exchange rate was more critical than the backing of national currencies. The French concurred, and both governments agreed to hold $200,000,000 in gold each to be shipped to the United States if and when the Bank of England decided it was required. The Russian government was to be asked to contribute a like amount.45

The Russian Finance Minister, Peter Lvovich Bark, was unable to attend any Allied conference until late September.46 Until then, he proposed the shipment of £40,000,00 in gold to the United States in exchange for £400,000,000 in credits. The British counter-offered £30,000,000 in credits, but nothing further until after a conference. When Bark arrived in Britain, he found the British position on gold unyielding. Shipping Russian gold to allow Russia to pay its own debts contributed nothing to the overall Allied effort. The Anglo-French conference had envisioned a joint credit pool each ally could tap according to its contribution, based on a strong British pound. If Russia were to enjoy the benefits of Allied credits using the pound, it would have to pay to defend the exchange rate.47

The agreement signed between Britain and Russia on September 30, 1915, represented a Russian concession to British financial concerns. Russia would hold £40,000,000 in gold ready to back Allied, vice exclusively Russian, purchases in the

44Ibid., 106-7.

46As Russian supply efforts were enabled only by great financial machinations, Finance Minister Bark was a critical, if distant, figure for the Russian Supply Commission in America. Bark was an industrialist and had served as a member of the council of the Association of Industry and Trade. Roosa and Owen, Russian Industrialists in an Era of Revolution, 146.

47Ibid., 111-12.
United States. The gold would be converted into British bonds payable in gold, salving Russian sensibilities with the idea that the gold was merely loaned from the Russian treasury. Britain extended to Russia a credit of £25,000,000 per month for as long as the next twelve months, guaranteed by Russian Treasury notes. The funding of the second six months of the deal was made contingent on the British ability to secure financing in the United States, in part to provide a direct Russian stake in the stability of the pound sterling. The funds could be used for financing contracts placed in Britain, North America, and, with limitations, Japan, prior to the agreement, servicing debt held anywhere other than France, and up to £4,500,000 in new orders each month.48

More significant than the financial arrangements, however, was the annex to the agreement which attempted to bring order to Russian purchasing in the United States. After the rejection at the February Paris Conference, the British did not reiterate their proposal that J. P. Morgan and Company handle all Russian purchasing. They did, however, stipulate through the September agreement that all purchases financed with British money, either in Britain or North America, had to be approved by a committee of Russian representatives in London. The committee was to work with the British members of the Russian Purchasing Committee when ordering war materials and with the Commission Internationale de Ravitaillement on all other orders.49 Further, the Russian representative in London was to be given authority to sign contracts binding the Russian

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48Ibid., 112-14; Herzstein, “The Diplomacy of Allied Credit,” 159-62.

government which previously required approval from the Russian War Ministry.\textsuperscript{50} Finally, an annex to the agreement stipulated the formation of a formal Russian purchasing committee in America. Through the agreement, the British government hoped to force order on the Russian purchasing system.

That Bark, the Russian finance minister, had signed such an annex was perhaps due to the realization that effective control of purchasing would ultimately be in Russia's interest. The Russian Finance Minister had received a rather nasty shock in July when he discovered that 380,000,000 rubles in munitions orders had been placed in America without his Ministry's knowledge.\textsuperscript{51} Worse, as he confided to the British Ambassador, one quarter of the sum, 95,000,000 rubles, was due immediately as advances.\textsuperscript{52} The Russian purchasing agents in America were doing their best to meet the shell crisis, and were bound to bankrupt Russia in the process.

The sudden limitation of Russian foreign supply expenditure, while essential to the overall war effort, resulted in increased competition between the individual agencies of the Russian government. Each agency's requirements were now balanced against the requirements of other groups pursuing a finite amount of available money. The bureaucratic instinct was to eliminate competitors, and the state agencies moved to eliminate voluntary organizations from foreign purchasing. On November 16, 1915, the Council of Ministers resolved that "in the case of foreign market dealings, an appropriate organ must be formed directly by the government which does not depend on the

\textsuperscript{50}Herzstein, "The Diplomacy of Allied Credit," 147.

\textsuperscript{51}Ibid., 146.

\textsuperscript{52}Ibid., 152.
cooperation of public-industrial organizations." The phrase "public-industrial organizations" was aimed squarely at the War-Industries Committees, particularly the Central War-Industries Committee's Foreign Purchase Committee. Formed in August 1915 to order metals from abroad for its member factories, the Committee had operated in competition with a Special Committee operated by the Ministry of Trade and Industry which was purchasing metal abroad for the government. The Foreign Purchase Committee initially attempted to skirt the order, redefining its functions as advisory vice executive. Eventually, the Minister of Trade and Industry demanded that the Committee become a state organ. Interestingly, Finance Minister Bark joined in this demand, voicing the British government's approval for the move. 54

As the officer in charge of financing Russia's war orders, Bark was acutely aware of the continued disorder in foreign purchasing. Excluding non-government actors from the foreign purchasing scene would reduce the number agencies competing for supplies and funding, but it was the unplanned obligation of funds by other ministries which threatened to disrupt the tenuous flow of foreign exchange and supplies. While no minister could impose financial discipline on his counterparts, the September agreement held the promise that the combined efforts of British and Russian agents in America could impose order at the source.


54 Ibid.
CHAPTER IV

A COMMITTEE IN EARNEST

As part of the September 30 agreement between the British and Russian Finance Ministers, all future Russian purchases in Britain and America were to be approved by the Russian Government Committee in London. The Committee was to work in concert with the War Office Russian Purchasing Committee and the Commission Internationale de Ravitaillement. Since the Russian Government Committee had nominally exercised this authority for the last year, the agreement broke little new ground.

More significant was the idea that a formal counterpart to the Russian Government Committee be established in America. Where the idea for a centralized Russian Supply Commission in America originated is not entirely clear. Most probably, the need for order in American purchasing was so apparent that the idea had been conceived in many circles since August 1914. Not until October 1915, however, did pressure from the British bring such an organization to pass.

In large part the establishment of the Russian Supply Commission in America formalized a number of existing relationships in Russian supply. General Sapojnikov, already in the country on behalf of the War Ministry, received expanded authority which included responsibility for non-military war orders. His new Commission included the existing purchasing authorities of the Glavnoe Artilleriiskoe Upravlenie, the Glavnoe Tekhnicheskoe Upravlenie (Chief Technical Directorate), and the Military-Medical Authority, among others.

The new Commission held its first meeting on October 13, 1915, in the Flatiron Building in New York City. In attendance were General Sapojnikov, Colonel Golevskii,
and representatives of the Chief Technical Directorate, and the Ministries of the Navy, Finance, Trade and Supply, the Central and Moscow War-Industries Committees, and the All-Russian Zemstvo and Towns Union. From the first, it was clear that the Commission was to act strictly as an agent for the Russian Government Committee in London. According to a telegram read by General Sapoynikov to the members, “from this moment, not one contract can be closed by the Committee in America without the knowledge and consent of the London Committee.” Sapoynikov then mentioned that, based on a letter from the Chairman of the All-Russian Union of Zemstvo and Towns, and with the consent of the War Minister, the two zemstvo representatives present were admitted as members.¹

General Sapoynikov also used the first meeting of the Commission to introduce and query a new face in the supply scene, Professor Boris A. Bakhmeteff. Bakhmeteff had recently arrived in the United States as the representative of the Central War-Industries Committee.² Sapoynikov introduced him, and asked that, as most of the members of the Commission had been in America for some time, he explain the role and authority of the Special Committee for the Discussion and Coordination of Measures for the National Defense. Bakhmetev obliged, explaining that the Special Committee was “the highest ranking organ dealing with questions of military supply,” and listing its various members.³

¹RG 261, Records of the Office of the Chairman, Minutes of the Meetings of the Russian Supply Committee, “Protokol’ pervago zasedania Russkago Zagotovitel’nago Komiteta v Amerike ot’ 13 Oktiabr’ 1915.”

²Bakhmeteff was probably the most colorful and influential of the Russian liberal element in America during this era. Born in Tbilisi in 1880 and serving as a professor at the Polytechnic Institute in St. Petersburg, he was young and technically trained and a sharp contrast to the stereotypical Tsarist official. David S. Fogelsong, America’s Secret War Against Bolshevism: U.S. Intervention in the Russian Civil war, 1917 - 1920 (Chapel Hill: University of North Carolina Press, 1995), 51.

³Ibid.
It seems extraordinary that the senior Russian officer in the United States dealing with military supplies would be unfamiliar with the Special Committee. In the case of the Special Committee, as with so many Russian wartime organs, there was a gap between formal and actual authority. Perhaps Sapojnikov, in his question to Bakhmeteff, was trying to discern the actual influence of the new body.

Sapojnikov had good reason to care about the attitude of the Special Committee. Under the new unified purchasing arrangement, the Special Committee represented the ultimate authority in Petrograd dealing with international supply. On November 19, 1915, this Committee would formally authorize the regulations governing the Russian Supply Commission in America. The Committee, itself a joint state-Duma-society arrangement, formally stipulated in the regulations that the American Commission include representatives of the All-Russian Union of Zemstvos and Towns and the Central War-Industries Committee.

At the second meeting of the Russian Supply Commission in America, the question of Committee assignments for the three newly arrived War-Industries Committee representatives arose. Sapojnikov addressed the Commission, saying that:

Undoubtedly, the very fact that the formation of the Russian Supply Commission in America included representatives of the social organs shows a response to social events, occurring now in Russia, where it is observed that there is more and more unity between the representatives

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5RG 261, Records of the Office of the Chairman, “Положение о комитете по заготовлению военных предметов боевого и материального снабжения”
of government authority and society.⁶

Thus, the General concluded that “we can sincerely welcome into organizational activity on contracts in America our new members from two recognized points of view.”⁷

Even as the zemstvo representatives were being warmly integrated into the Russian Supply Commission, the efforts of the Union were raising increasing suspicions among elements of the Imperial government.⁸ For conservatives within the government, such suspicions were nothing new. In response to a November 1914 request for a congress of voluntary associations Interior Minister Maklakov replied:

I cannot give you permission for convening such a congress; it would be an undesirable and universal demonstration to the effect that there exist disorders in supplying the army. Besides, I do not wish to give permission, since under the guise of delivering boots, you will begin to make a revolution.⁹

The Union was dominated by liberal political officials, mostly Kadets, and was heavily influenced by former Moscow officials. A number of these officials, Prince Lvov among them, had been key in the Moscow city council’s continual attempts after the 1905 Revolution to exploit the government’s concessions as far as possible. Lvov had been nominated as mayor of Moscow in 1913 only to have the Minister of the Interior refuse to

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⁶ RG 261, Records of the Office of the Chairman, Minutes of the Meetings of the Russian Supply Committee, “Protokol’ vtorago zasedaniiia Russkago Zagotovitel’nago Komiteta v Amerike ot’ 21 Oktiabr’ 1915.”

⁷Ibid.

⁸Perhaps the best evidence of the suspicion of the Imperial government is the fact that the best primary source on the Zemgor’s internal politics are the reports of the police agents who infiltrated it.

⁹Miliukov, Political Memoirs, 315.
approve his taking office.\textsuperscript{10}

The Russian government was increasingly unhappy with the tone of the “progressive” elements in domestic politics, but it was also aware that the traditional liberal parties, particularly the Constitutional Democrats, had strong links to liberal elements abroad. In a coalition warfare environment, the government was forced to consider how its actions would be perceived by its Allies abroad. During August, at least two prominent liberals, Konovalov and Riabushinskii, expressed the opinion that only the Foreign Minister’s planned visit to Britain was delaying the Tsar’s order to prorogue the Duma sitting scheduled for September 3.\textsuperscript{11}

The Inter-Allied Munitions conference opened in London on November 23, 1915. Hosted by Lloyd George, Russian interests were represented by the Admiral A. I. Rusin, who lodged extravagant demands for the coming year.\textsuperscript{12} Rusin’s presentation, combined with the Russian’s systematic violations of the September 30 agreement, continued the erosion of British confidence in their ally. In British eyes, even Bark, who certainly understood the need for coordination and limits in supply matters, often seemed to regard the September agreement as statement of common goals rather than a strictly observed agreement. For the Russians, acutely aware of the price their nation was paying in blood for the Allied cause, any comment that seemed to reduce the rarefied goals of the

\textsuperscript{10}Guchkov, head of the Central War-Industries Committee, was the other unacceptable candidate in the 1913 election. Robert W. Thurston, \textit{Liberal City, Conservative State: Moscow and Russia’s Urban Crisis, 1906-1914} (New York: Oxford University Press, 1987), 81.

\textsuperscript{11}The Duma was, in fact, prorogued as it began to assemble on September 3, before Bark arrived in Britain. Siegelbaum, \textit{The Politics of Industrial Mobilization}, 83.

\textsuperscript{12}Neilson, \textit{Strategy and Supply}, 129-34.
alliance to simple commercial paper was an insult to the national honor.

The issue of railway equipment proved a continuing irritation to both parties. On April 6, 1916, A. F. Trepov, the Russian Minister of Ways and Communications, submitted to the British government an urgent request for £12,000,000 in rolling stock. The Ministry deemed the new cars necessary for the coming summer offensive and desired to negotiate the purchase independent of British control. By June, the Treasury replied that the requested amount of supplies likely exceeded the transport that the Russians had available. At most, they suggested, the Russians might ship £5,000,000 in goods, but that allotted Russian credits had been expended. "It is probable," Treasury warned, "that Their Lordships will be forced by financial considerations to adopt the policy that no more orders of any kind must be placed in America except in quite exceptional circumstances."¹³ In June, Bark made inquiries of both British and French financial houses seeking funding for Russian railroads. The Russian government sought some 585,000,000 rubles for existing uncompleted roads, 152,000,000 in improvements to completed roads and 166,000,000 rubles in new orders with no success.¹⁴

Despite the strong warning, the Russians continued their ongoing negotiations for railroad supplies. When the British Treasury testily pointed out that the Russians could rely on neither British financial nor transportation aid for these orders, the Russian reply was simple and disingenuous. American suppliers had demanded immediate commitments, and, as the railroad supplies were essential to the war, the Russians felt they had no

¹³Bradbury to Foreign Office, June 10, 1916; quoted in ibid., 190.

alternative but to place the orders.\textsuperscript{15}

By spring 1916, it was clear to the British that the September agreement had failed to organize Russia purchasing efforts in America. Visits by General Hermonius had produced temporary improvements in the relations between the Russian Supply Commission in America and its British counterparts and American suppliers, but no lasting reform. After gaining approval from Petrograd, Kitchener ordered the newly promoted General Ellershaw to America as the permanent British War Office representative to the Russian Supply Commission in America. Ellershaw’s travels to Russia on behalf of Lord Kitchener had made him known to both the War Ministry and the Stavka. Trusted by Kitchener, experienced in dealing with Russians, and involved in Russian supply issues since the beginning of the war, Ellershaw was the ideal British representative.\textsuperscript{16}

Before he could embark on the task of repairing Russian supply in the United States, Ellershaw was required to perform one more task on behalf of his superior. Anglo-Russian supply issues had been a military concern of Lord Kitchener since the fall of 1914, and there is every evidence that he took his May 1915 charge from Grand Duke Nicholas as a personal responsibility. On May 13, 1916, the Russian Ambassador had conveyed to Kitchener the Tsar’s personal invitation to travel to Russia. There, he could visit the fronts and gain first hand knowledge of the Russian supply situation. Kitchener accepted, and planned his arrival in Archangel for June 9 and Petrograd for June 11, carefully permitting himself several days to confer with Russian Finance Minister Bark

\textsuperscript{15}Ibid., 190-91.

before Bark was required to depart for the June Allied Conference in Paris. On June 5, Kitchener, Ellershaw, and a small staff, embarked the cruiser H.M.S. HAMPSHIRE. Some two hours out of Scapa Flow, HAMPSHIRE struck a German submarine-laid mine and sank in less than fifteen minutes. As HAMPSHIRE’s escorting destroyers had been detached due to the heavy weather, only thirteen aboard survived their prolonged exposure to the cold of the North Sea. Kitchener and Ellershaw were not among them.17

During June, the Allied finance ministers met in Paris for an extended series of negotiations. The Conference had been scheduled for June 26, but British Finance Minister McKenna was delayed by the ongoing Irish Easter Uprising. Ultimately, after a delay of several weeks, the Conference was moved to London so that McKenna could attend. There Bark presented his case for increased Allied financial support. In response, the British observed that the impending American presidential election would make any significant loans from the United States impossible until after November, limiting the credit available for Russian needs. Further, the British asserted that Russian transport limitations made new orders superfluous. In response, Colonel Beliaev presented statistics which purported to prove that shipping capacity and Russian ports could accommodate new orders, conspicuously ignoring the issue of internal rail transport. Bark wanted from the Allies an assurance that Russia’s critical military needs, particularly heavy artillery, would be met regardless of any credit limitations. While Bark was generally unsatisfied with the tone and results of the conference, he did succeed in convincing the British to

surge purchasing credits forward to meet what the Russians identified as critical needs.\textsuperscript{18}

As a result of the ongoing transportation crisis, the Russians and British create the May 5, 1916, agreement “as to the necessary procedure to be established in order to ensure transport of munitions to Russia.”\textsuperscript{19} Signed by the British Admiralty and General Hermonius and endorsed by Grey and Benkendorf, the agreement was predicated on the Russian estimate that 2,600,000 tons of stores could be transshipped through the White Sea ports between May 1916 and May 1917. During this one-year period, the British agreed to provide shipping for some 2,000,000 tons of stores, 250,000 tons of which was American munitions. The Admiralty also took responsibility to “sweep and mark a channel” to prevent loss due to mining or navigational hazard. In exchange, the Admiralty insisted on the right to appoint a Principle Naval Transport Officer (P.T.N.O.) in Archangel as advisor to the port commander. The P.T.N.O. would have control over the loading of British vessels for their return voyages. They also insisted that the Northern route be closed to any shipping without a special license “delivered by the Russia delegate in the International Supply Commission in London, in agreement with the British Admiralty.”

On June 28, 1916, General Sapojnikov attended a meeting of the Transportation Committee at India House, Kingsway, in Britain, intended to address coordination of shipping between the Russian Supply Commissions in London and New York. The British representatives made it clear that they were prepared to ship supplies other than those

\textsuperscript{18}Herzstein, “The Diplomacy of Allied Credit,” 222-33.

\textsuperscript{19}RG 261, Records of the Agent of Trade and Industry, “Memorandum of agreement between the Russian and British governments as to the necessary procedure to be established in order to ensure transport of munitions to Russia,” May 5, 1916.
ordered through J. P. Morgan and Company, provided that the Morgan orders were loaded first and the total tonnage for the year did not exceed the 250,000 allotted in May.

The true limiting factor in Russian overseas supply was not ocean shipping, however. Rather, effective use of imports was dependent on the thin line of transportation from the ports to the inland areas. Goods delivered to Vladivostok in the East, usually after having transshipped most of North America, faced the single, speed- and weight-limited track of the Trans-Siberian railway. Goods that made the torturous passage to the Murman Coast had even more limited options. The primary Russian port, Archangel, was served by a single narrow gauge rail line, which resulted in tremendous backlogs of stores. While the closure of the port each year during the late winter offered the opportunity to clear out the accumulation, the excess continued to grow. The British military attaché observed that most of the delayed stores were left unprotected in the open. In 1915, the Russians were working to expand the line to standard gauge in the expectation of having the modification done by 1916.20 As with so many Russian estimates, this goal was not met.

The Allies desperately wanted to avoid the White Sea closure by using the warm water ports of the western Murman Coast or Norway. Throughout the war, the British government pressured Sweden to permit the passage of supplies to Russia, and some limited shipments were made. Sweden, however, was officially neutral and temperamentally anti-Russian, and until 1916, British pressure was tempered by fear of Swedish belligerency against Russia. The overextended Russians could scarce afford

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20 Knox, *With the Russian Army*, vol. 1, 355-56.
another front. In desperation, the British government financed a three-hundred-mile sled route from Skibotten to the northern terminus of the Finnish rail system. The limited hauling ability of the line and losses due probable German sabotage lead it to be considered a failure. More promising was the effort to build a seven hundred mile railway from the ice-free Kola Inlet to the northern terminus of the Russian rail system. The Russian Council of Ministers had funded the effort in December 1914, and construction on each of the three major sections began in 1915. The construction faced daunting challenges, ranging from Arctic weather to miles of swamp requiring bridging to a complete absence of locally available labor and supplies. The line was eventually opened on November 28, 1916, too late to impact the Imperial war effort.

The British government was acutely aware of this tenuous network, and had initially made the 1916 Admiralty shipping agreement contingent on “the arrangements for clearing the ships at Archangel proving prompt and satisfactory.” The closure of the Russian northern ports to all but licensed vessels in the final agreement represented a British effort to force the Russians to maintain the agreed upon priorities for shipments. With limited transport, the Russian habit of shipping non-essential goods or delaying Allied munitions shipments in favor of other items was, in the British view, injurious to the war effort.

One means to discourage Russian orders outside of British control was to increase

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22 Ibid., 509-11.

the expense of shipping them. The Anglo-Russian agreement on shipping rates from American to the White Sea for 1916 divided cargoes into three categories; “Morgan orders,” “Russian orders,” and “private orders.” “Morgan orders” were British government orders placed through J. P. Morgan and Company. “Russian orders” were orders placed by the Russian Supply Commission, while “private orders” were war materials approved for shipment by the Committee. The first two types of cargo enjoyed the subsidized rate of 65s. per ton, while private orders were charged “not less than $30 per ton.”

Ongoing problems with Russian inspections was one of the key factors in the establishment of the Russian Supply Commission in America. The intractability of the Russian inspectors placed the British in an unenviable position. While the Russians were responsible for the technical side of the contracts, including the inspection and acceptance of the supplies, the contracts were legally between the American companies and His Britannic Majesty’s government. While the contracts typically offered an arbitration clause, General Minchin pointed out that “if the arbitration which is mentioned in the contracts is called into effect, it will be arbitration between the contractors and the British Government.” The British government, dependent on the good graces of the American markets, was not in a position to pursue aggressively claims against major American companies, yet their failure to do so would surely aggravate relations with the Russians. The British government examined three options for the resolution of the

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inspections issue. The first, maintaining the status quo, was fundamentally untenable. The inefficiencies and aggravations of the Russian inspectors were choking off vital supplies and destroying Allied good will with American industrialists. The second, and most radical, was to remove inspection authority from the Russian Supply Commission in America and rely on British inspections. While favored by Lloyd George, the ever prickly Russian delegations could hardly be expected to accede to such an action quietly, and there remained questions as to British ability to supply enough technical personnel for the task. The third, compromise position, was the formation of a joint British and Russian Committee to control orders and inspections.26

At the Anglo-Russian Conference in London held July 13-16, 1916, the British delegation finalized the agreement for an “Anglo-Russian Sub-Committee” to be attached to the Russian Supply Commission in America. The Protocol for the Anglo-Russian Sub-Committee, signed July 14, 1916, represented a loss of influence for General Sapojnikov, in Britain for the conference. The death of Lord Kitchener removed Russian supply from the special protection of the War Office and the Russian Purchasing Committee was transferred to the Ministry of Munitions.27 General Sapojnikov, however, did not view the trip to Britain as a total failure. As he recounted with evident pride to the next Commission meeting, he had been received by King George IV of Britain and invested with the order of Knight Commander of Saints Michael and George.28

26Ibid., 189.

27Neilson, Britain and the Last Tsar, 255-56.

28RG 261, Records of the Office of the Chairman, Minutes of the Meetings of the Russian Supply Committee, “Protokol’ sopok-pervago zasedaniia Russkago Zagotovitel’nago Komiteta v Amerike ot’ 19 Iiul’ 1915.”
CHAPTER V

THE RUSSIAN-BRITISH AXIS CEMENTED

The Anglo-Russian Sub-Committee, created by agreement between Grey and Benkendorf at the July Conference in London, was the last great attempt to place Russian orders in the United States on a rational footing. Of course, for the Russian Supply Commission in America, the Anglo-Russian Sub-Committee was an outside imposition, not organic to the structure of the Commission. However comprehensive the agreement signed in London attempted to be, the exigencies of the war would undoubtedly require improvisation to meet supply needs. Further, the British had yet to produce a document whose intent the Russians could not effectively stymie. The success or failure of the effort hinged on how the Russians in New York would deal with the new committee.

The reason for the Sub-Committee’s existence was two-fold. It was first to bring order to the placement of new British-funded orders in America. Second, it was to address the lack of results from the contracts already placed with American firms. One of the most persistent complaints of American manufacturers was the difficulty involved in dealing with Russian inspectors. Granted that these complaints typically came from firms that were unable to meet their agreed delivery dates, the extent of the problem was daunting. From his post in Petrograd, General Knox, the British Military Attaché could discern:

The Artillery Department was in the habit of sending men abroad as inspectors, who were without any technical knowledge, and were therefore obliged to follow the specifications pedantically and without intelligence. On one occasion an officer told me his brother had gone to England to ‘take over’ big guns. I asked if he knew anything of gunnery. The reply was: ‘No. He is a lawyer by education, an artist by
inclination, and a cavalry officer by occupation.\textsuperscript{1}

In an internal memorandum written after the war, J. P. Morgan and Company contrasted their favorable experiences with British inspectors with their Russian counterparts:

Russian contracts for complete artillery ammunition afforded sharp contrast [with those of the British]. There was difficulty with the drawings and designs from the outset. Frequent and arbitrary changes were made. No assistance was available from a suitable government production organization, and the inspection of the Russian Mission was unsympathetic and sometimes even hostile. The results were frequent delays, unsatisfactory product, and even a partial cancellation.\textsuperscript{2}

The British representatives in the Anglo-Russian Sub-Committee were acutely aware of the failures of the Russian inspection system. The massive Russian contract with Eddystone Ammunition Corporation was facing delays, and the Corporation insisted that these problems were due to “changes in design and inefficient or inadequate inspection.”

On August 17, 1916, the British used the Sub-Committee to gather, in addition to the usual representatives of the British and Russian Supply Commissions, representatives of the Russian Chief Artillery Directorate, the Chief Russian inspectors at Eddystone, officers of the Eddystone Corporation and Stettinius, representing J. P. Morgan and Company.

Such a meeting ought have been a key opportunity to resolve these inspection problems. From the tone of the minutes, however, it appears that the meeting instead focused on the question of blame. The Russians conceded that “a certain amount of delay may have arisen from the before-mentioned causes.” However, “such delay was inseparable from the usual difficulties encountered in starting a new industry on a large scale.” Certainly no

\textsuperscript{1}Knox, \textit{With the Russian Army}, vol. 1, 272.

change in the current Russian inspection system was required.³

The British would try again on October 3, 1916, when the issue of inspection at the Westinghouse Electric Company was addressed. Westinghouse held a large contract for the manufacture of Russian pattern rifles, and, like Eddystone, alleged that Russian inspection procedures were delaying completion of the contract. The Sub-Committee, which had been created largely to alleviate such problems, dodged the issue, pointing out to the representatives of Westinghouse present that:

matters dealing with inspection were under the control of General Khrabroff, as President of the Artillery Commission, and that any suggested changes in inspection matters should be taken up by the Company direct with General Khrabroff.

Of course, General Khrabroff, as was his habit, was sitting in the meeting. While the Sub-Committee offered to entertain revised delivery schedules and even direct financial assistance to Westinghouse, it would once again provide no relief from the Russian inspections which were a major cause of the problem at hand.⁴

In their efforts to improve inspection, the British members were acutely aware how jealously the Russian delegation defended its inspection prerogatives. Within the Sub-Committee, their efforts to improve the situation are typically phrased in careful, helpful terms. At the Sub-Committee's second meeting, when the discussion turned to the Canadian Car and Foundry Company orders, the British representatives suggested “that the Production Engineers of the British Munitions Department should be made use of as


occasion demanded in conjunction with men designated by the Imperial Russian Supply Committee.” The Russians accepted the offer.⁵

The Canadian Car and Foundry Company orders became a central issue for the newly formed Sub-Committee. By March, 1915, the firm had Russian orders for 5,000,000 urgently needed shells worth $82,000,000, with delivery scheduled to commence in August, 1915. With no experience in munitions orders, the firm grossly underestimated the difficulties of shell production. By late 1915, the Russian orders had destroyed the company’s financial health to the point that bankruptcy was a possibility. When Canadian Car finally did deliver its first shells in December 1915, the company president took the opportunity to provide the British government, in the person of Colonel Ellershaw, with a revised schedule of deliveries and a request for additional funds. The British considered the schedule completely unrealistic, and questioned the company’s ability to provide security for an advance. The Russian Supply Commission in America, reflecting the Russian ire at a year of failed deliveries, offered limited aid in exchange for major changes in the existing contracts. The Russian orders were to be entrusted to a separate company formed expressly for the purpose. At Russian insistence, the new contracts included stringent penalty clauses, which prompted the company to revise once again its schedule of deliveries.⁶

Despite these efforts, Canadian Car continued to fail to meet its production

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⁵RG 261, Records of the Office of the Chairman, “Minutes of the Conference of the Anglo-Russian Sub-Committee of August 4, 1916.”

⁶Neilson, “Russian Foreign Purchasing,” 582-85.
requirements. One of the first orders of business for the Anglo-Russian Sub-Committee was the question of what approach to take to the company. Essentially, the question before the committee was whether to enforce the penalty clauses against the firm, forcing the British government into court and the Company ultimately into bankruptcy, or to nurse the Company along, hoping to ultimately receive some return on the investment. On August 4, 1916, the Sub-Committee “agreed that the Agency of the Canadian Car & Foundry Company must be saved from Bankruptcy and assisted to complete its contracts without financial loss.” Toward that end, the Sub-Committee approved a total of $2,555,292.52 in immediate loans to the company.

Two meetings later, the Sub-Committee took up a proposal for a revised contract with Canadian Car. Part of the new agreement included a revision of the financial penalties due under the original contract. By the first agreement, Canadian Car owed some $8,250,000 because of its failure to deliver shells on time. The Sub-Committee discussed $2,000,000, and eventually settled on $3,500,000 in penalties and interest as their offer to the Company.

The real contention occurred over the funding of the Company. With the new

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7One side effect of the ongoing problems with the Canadian Car contract was the reluctance of the Russians to place orders with other Canadian suppliers and the reluctance of Canadian firms to quote orders for the Russians. The British government finally succeeded in placing a major contract for 8" shells with a Canadian firm in April 1916, after conceding that only British inspectors would be used. United Kingdom, History of the Ministry of Munitions, vol. 2, General Organization for Munitions Supply, part IV, Munitions Organizations in the Canada (London: His Majesty’s Stationery Office, 1921), 41.


contract, Canadian Car had requested an additional loan of $3,855,878.25. The Russian and British members disagreed over the wisdom of such an advance. The Russians pointed out that during the previous three weeks the company had received almost $4,300,000 in loans, and could offer only $7,250,000 in securities. The total amount of loans and advances given the company well exceeded the value of the company’s securities. The British members believed that “to encourage deliveries it was essential that the Company be provided with necessary money.” Further, they reminded the Russians that they were in the habit of not disbursing the entire amount of approved loans, which forced the Company to return to request more funds. The Russians retorted that “the handling of the loans was the only means of controlling the Company... in the opinion of the Russian members, it was dangerous to finance the Company profusely without... having some other means of controlling its activity.” The British argument that the Company could be controlled without starving it of needed operating capital eventually carried the day, and a cable was sent to the British Treasury requesting the loan. However, the pattern for Sub-Committee dealings with Canadian Car had been established. The British members would argue for accommodation, while the Russians would counsel severity.\textsuperscript{10}

In the midst of these multiple and inter-related crises that the Russian War Ministry finally elected to remove the ineffective General Sapojnikov. His replacement, Lieutenant-General Zaluboffsky, was noted as “a cruel man” closely connected with the War Ministry bureaucracy.\textsuperscript{11} He had the benefit of spending several months attached to the London

\footnote{\textsuperscript{10}Ibid.}

\footnote{\textsuperscript{11}Gaiduk, \textit{Utir}, 52.}
Committee and had the opportunity to observe the supply process in operation prior to coming to the United States. When the Sub-Committee met for the first time on July 31, 1916, the meeting dealt with one outstanding contract and dissolved into "a prolonged discussion as to the attitude of General Zaluboffsky, in regard to the power of the Sub-Committee." Since the new commander's intentions would define the power of the committee, the group adjourned until the meeting of the full Russian Supply Committee scheduled for the next day.\textsuperscript{12}

Zaluboffsky assumed command in late August 1916, and on August 25, delivered an extraordinarily blunt change of command speech to the Commission.\textsuperscript{13} He was appointed, he told his subordinates, because of "the considerable delay in execution of some of our orders placed with American firms." These delays, he believed, were caused by failures in the contracts themselves, as well as by failures in the technical management of the contracts. In the first case, companies had agreed to delivery dates that could not possibly be filled. Rather than engage in the usual recriminations and additional delays, Zaluboffsky stated that "this must be considered only as a matter of fact . . . my duty [is] to ascertain the exact date of delivery . . ." As for technical failures, the General suggested that the Commission "may have to make the conditions of inspection easier . . . and even then, in gross production we will inevitably obtain deviations from the normal technical conditions."\textsuperscript{14}

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\textsuperscript{12}RG 261, Records of the Office of the Chairman, "Minutes of the Conference of the Anglo-Russian Sub-Committee on July 31, 1916."

\textsuperscript{13}RG 261, Records of the Office of the Chairman, Lieutenant-General Zaluboffsky change of command speech, August 25, 1916.

\textsuperscript{14}Ibid.
Beyond techniques, Zaluboffsky made it clear that the Commission's problems were in part institutional. "While in Petrograd," he stated:

I became fully convinced that neither the Special Council for the Defense of the Realm nor the separate War Office Departments nor the Foreign Exchange Commission are in possession of exact and incontestable data with regard to the orders placed in the United States. Therefore, all the calculations of the above mentioned offices are vague and indefinite. . . . The question of appropriating money to the American Committee for the payment of extant orders and the question of the distribution of new orders . . . can not be satisfactorily settled in London and in Petrograd unless the American Committee will furnish exact and complete data concerning the number and the character of orders placed in the United States and concerning the amount of money already paid on those orders.  

Clearly the commission which was to organize American orders had failed in its task, and the new commander, at the least, realized it. One of his charges to the Commission was "a way of registering all new orders" to provide a central record of commitments.

The General also directed the establishment of three new departments within the Commission: Legal, Finance, and Government Control. Zaluboffsky was not comfortable relying on the Commission's American attorney as his only council, and appointed a Russian lawyer as head of the new department with the American as his advisor. The Finance Department was created because the officer then administering financial issues had also recently been appointed military attaché to the Unites States. Either position represented a full time job, and the department was an attempt to keep the financial situation from foundering.  

The state of disorder in Russian contracts is clearly demonstrated in Zaluboffsky's instructions to establish a Department of Government Control. The officer in charge of  

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15Ibid.

16Ibid.
the department’s signature “will be affixed to every document,” a step that would “remove all misunderstandings and disputes in regard to the legality of expenditures . . . assigned to the Committee.” Such a Department would force the non-governmental representatives to gain governmental approval of their orders.

In his change of command speech, General Zaluboffsky had addressed the British members of the Anglo-Russian Sub-committee. The General offered the optimistic view that “in regard to supplying the armies there is no difference of opinion, in England nor in Russia which may lead to a controversy.” While there were no disputes, “there may be misunderstandings arising from the . . . insufficient knowledge of each other and . . . of mutual needs and means.”

Arriving with General Zaluboffsky were several new figures who became prominent in Commission affairs. Professor A. I. Astroff became the senior zemstvo representative in America, while Ensign Boris L. Brazol became a legal advisor and general troubleshooter for General Zaluboffsky.

With the new arrivals, there were shortly two prominent departures. General Zaluboffsky removed Colonel Golevskii, who had been part of the earliest supply efforts in America, and returned him to Russia. Golevskii had been Sapojnikov’s primary assistant, and it was clear Zaluboffsky believed he was partly to blame for the disorder in supply.

More ominous was the campaign to remove Professor Bakhametev from his position as Chief of the Central War-Industries Committee delegation. Sapojnikov had clearly permitted Bakhametev and his delegation great freedom in their efforts, and

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17Ibid.
Bakhametev had been warmly complementary of Sapojnikov at his final committee meeting. Zaluboffsky's authority to remove Bakhametev was somewhat obscure, as Bakhametev was not a government employee. He was, however, stripped from his positions on the various committees, and by November 23, 1916, was no longer attending the meetings of the Anglo-Russian Sub-Committee. He returned to Russia shortly after. Bakhametev's removal later created complications for Zaluboffsky. Bakhametev would reach Russia in time to assume a post as an Assistant Minister of Trade and Industry for the Provisional Government, and would later return to the United States as the Ambassador—and Zaluboffsky's boss.

The first Anglo-Russian Sub-Committee meeting chaired by General Zaluboffsky appropriately enough dealt primarily with the Canadian Car contract. The Company had received the Sub-Committee's proposal and had countered, requesting that only $2,000,000 in penalties and interest be imposed on it, and altering the dates of completion. The Sub-Committee dictated a response, accepting the $2,000,000, but reiterating that 1,500,000 unfilled high explosive shells had to be completed by November 15, with these shells, and an additional 1,000,000, loaded and delivered by December 31. "We presented the proposed contracts for the purpose of giving assistance," the Sub-Committee wrote. "Our discussion is final and we will enter into no further discussions. Unless you consent ... we will ... proceed under existing ... contracts."18

A unique problem of mutual interest to the British and Russian delegations was German sabotage. While the First World War, like most conflicts, generated its own "spy

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18RG 261, Records of the Office of the Chairman, "Minutes of the Conference of the Anglo-Russian Sub-Committee of August 14, 1916."
mania," American neutrality provided an unusually permissive environment for German covert operations. During late 1914 and early 1915, the German Embassy placed fraudulent orders for war materials with American manufacturers in an attempt to divert capacity from the Allies.¹⁹ One German naval officer, Captain Franz von Rintelen, took the reverse approach, creating a false company that contracted with the Russians for the delivery of a wide variety of war supplies. The company either failed to deliver, or, in several cases, provided supplies sabotaged with time delayed incendiary devices to destroy the transporting ships, after which the company dissolved and disappeared.²⁰ While these paper ruses pointed out the disorder and vulnerability of the early supply efforts, it is doubtful that they significantly hurt the Allied supply effort.

More significant for British and Russian supply efforts, however, was the active sabotage campaign begun in early 1915.²¹ An explosion at the Roebling Wire and Cable Company plant in Trenton, New Jersey on January 1, 1915, probably marked the opening of the German campaign. Before April 1917, there would be almost 200 explosions involving war supplies, factories and transportation attributed to German actions.²² On an ongoing basis, German agents used a network of hired persons, often Irish nationalists, to


²¹While divining the true history of any sabotage campaign is, at best, difficult, the German effort in America during the war is unusually well documented. A number of German communications regarding planned operations were intercepted and decoded by the British government. Retained after the war, they became a central exhibit in an almost two decade long court battle between the sabotage victims and the German government. The court case also served the unique role of collecting and validating documentary evidence and personal testimony on these secret matters. James, The Code Breakers of Room 40, 187-95.

infiltrate incendiary devices onboard Allied merchant shipping.\(^{23}\)

The July 30, 1916 explosion at the Black Tom Port Facility, New Jersey, represented the acme of the German effort. Black Tom was a rail yard where cargoes were shifted from rail car to barge for transport to waiting merchant ships. While cargoes were not officially permitted to remain overnight, the shortage of merchant ships had resulted in a backup of tons of explosive military supplies. The resulting detonation was felt in New York City. Though the official cause of the blast was listed as carelessness, the Russian government believed otherwise and sued the company operating the terminal, charging that their lax security permitted the loss of their munitions.\(^{24}\) The Supply Committee also attempted to recover losses from certain munitions suppliers, arguing that the shells delivered to Black Tom had not been accepted by the lighterage company which would transport them to the merchant ship. Since Black Tom was merely a holding yard, the Russians argued that the shells had never been delivered and under contract were to be replaced by the manufacturer.\(^{25}\)

Six months after the Black Tom explosion, the Russians were hit again. On January 11, 1917, the Kingsland, New Jersey plant of the Canadian Car and Foundry Company, employed almost exclusively producing shells for the Russians, was destroyed.

\(^{23}\) While German sabotage was the primary concern, there had been isolated incidents of attacks by American anti-war protesters. On July 2 and 3, 1915, an American protester had planted a bomb in the Senate wing of the Capital building, then traveled to New York, where he unsuccessfully tried to kill J. Pierpont Morgan. Ibid., 110-12.

\(^{24}\) Time would prove correct the Russian assertion that lax security at the yard had permitted its infiltration. Ibid., 152-70.

\(^{25}\) RG 261, Records of the Office of the Chairman, “Protocol of Special Meeting in Connection with the matter of the loss of 900 cases of Shells . . . destroyed during the explosion on Black Tom . . . ,” October 30, 1917.
in an explosion-filled four hour fire. Some half million Russian three-inch shells were lost.

While the experience of Black Tom had caused the Canadian Car and Foundry Company to install a security fence and guards to the plant, these measures could not prevent sabotage by an employee. Theodore Wozniak, an ethnic Pole from the Austrian portion of Galicia, had initiated the explosion from his own work bench. Incredibly, he had gained employment at Canadian Car through the recommendation of a Russian vice-council in New York, Dmitri Florinsky. Florinsky had vouched for Wozniak once before, issuing him a permit to visit his home in Galicia.26 Twice in the month before the explosion, Wozniak had written the artillery commission of the Russian Supply Committee warning of carelessness and unsafe practices at the plant and predicting catastrophe. The British Secret Service had been warned that Wozniak would infiltrate the Kingsland plant, but it is doubtful that this warning was passed to the Russians and Canadian Car.27 With the loss of the Kingsland plant, built expressly for war production by British loans and advances, the question of the Canadian Car contracts became academic. There was simply no way the Company could fulfill the Russian orders, and the Anglo-Russian Sub-Committee ceased discussing the matter.

During October 1916, the Russian Council of Ministers informed the Allied governments that it would ratify the resolutions of the June Paris Conference provided that Britain and France signed a separate, secret provision. The essential tenant of the proposed agreement was that, while each government agreed to follow the results of the

26 Florinsky would later be removed from Russian service for alleged pro-German activities. Witcover, Sabotage at Black Tom, 187.

27 Ibid., 184-96.
June Conference, they would be free to disregard them if they were not in their own
national interest. Here in open forum was the critical problem with Russian participation
in the coalition--the Russian government at the highest levels declined to compromise its
national interest in support of its Allies. 28

An Inter-Allied Supply Conference was held in London from November 8-10,
1916. The primary task of the attendees was to determine what munitions would be
required to support the coming year of military operations. As had become their wont, the
Russian delegation, again headed by Colonel Beliaev, placed extravagant demands before
the committee. The issue of heavy artillery had never been settled after the July
Conference, and Beliaev requested almost 1100 heavy pieces, a figure representing most
of the Allies' annual production. Lloyd George expressed his skepticism of the British
ability to fill the request, but did not entirely dismiss it. Thomas, weighing in for France,
especially put the Russians on notice that France also expected a part of the annual British
artillery production. There were, he emphasized, other considerations beyond simple
numbers. Could the Russians secure ammunition for so many pieces? Could they
conceivably ship them to Russia, much less the front? The British, set up as arbiters
between two Allies, deferred decision. Shortly after the Conference, the British would
authorize a generous transfer of artillery to the Russians, though still slightly less than half
what had been requested. 29

While the issue of artillery shells remained, the Russians tried a new approach to


29 Neilson, Britain and the Last Tsar, 356-57; Neilson, Strategy and Supply, 210-11.
secure the railroad supplies they felt so critical. On November 17, 1917, the Russian
Minister of Commerce informed the British Ambassador that the long awaited Murman
rail line would be ready for operation in early 1917. With the announcement, Trepov also
requested British permission to resume independent orders of rail supplies from the United
States. The Foreign Office believed it politically expedient to grant permission, but the
Treasury and the Ministry of Munitions were absolutely opposed. The Ministry of
Munitions pointed out the “the total requirement of the Allies both for railway material
and for steel products generally are substantially in excess of the [capacity of the]
American market,” and that thus Russian orders would only be at the expense of
competing Allied requirements.30

30Treasury to Foreign Office, November 30, 1916; quoted in Neilson, Strategy and Supply, 212.
CHAPTER VI

THE ZEMSKY BUY A RAILROAD: A CASE STUDY

The involvement of non-governmental organizations in traditionally government functions, with or without governmental approval, gave rise to a series of difficult interactions between American industry and Russian civil society. Examining one specific order as a case study forces issues usually presented as generalizations into high relief, and permits a better view of the problems that arose with Tsarist Russians and American capitalists working together. This study examines the series of orders placed with the American Locomotive Company in 1916 and 1917 by the zemstvo representatives in the United States.

The selection of a railway supply order reflects the critical nature of these materials for the Russian war effort. Like so many of the mechanisms of modern industry in the Empire, the Russia rail system at the beginning of the First World War was the product of considerable labor and sacrifice on the part of the government and population—and was inadequate for the task at hand. The increasingly mobile nature of warfare in the industrial age and the distances inherent in the vast Russian expanses made the Empire particularly dependent on a capable rail system. Once mobilized, the average soldier of German or Austro-Hungarian Armies had to be transported less than two hundred miles, whereas Russian troops averaged five hundred.¹ Yet the Russian Empire entered the war with the least capable rail network in Europe by every measure, as well as a serious

¹Golovin, “The Russian War Plan of 1914,” 567-68.
shortage of rolling stock of all descriptions for what railroads it did possess. These transport limitations made themselves felt in both military and civilian supply and directly in military operations. General Brusilov, for example, chose not to rely on distant reinforcements during his 1916 offensive, commenting that given the Russian railway system, “I knew that while we were entraining and transporting one Army Corps, the Germans would manage to transport three or four.” Railway improvements were a high wartime priority, and testimony before the State Duma in March 1916 noted that some fifty-two thousand railcars and nine hundred locomotives were pending delivery.

If the lack of transportation infrastructure was damaging in European Russia, it was absolutely crippling in the Caucasus. Diplomatic and political maneuvering between the Great Powers over Turkish belligerence had delayed the onset of war in the region, but in late October 1914, the Turkish Fleet, under the command of a German rear-admiral, forced the issue by attacking the Russian Black Sea coast. The Russian declaration of war followed four days later. Thrust into war, the Turkish Army hastened to attack Russian forces in the Caucasus. Already beginning to face supply and transportation problems on the main front, the Russians viewed the opening of an additional front with alarm and

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2For example, between 1909 and 1913, traffic on Russian railroads increased some 30 percent, while the number of rail cars increased ten percent. Westwood, *A History of Russian Railways*, 156.


requested assistance from the Allies. Fortunately, in the Turkish Army the Russians had a foe more poorly supplied and led than themselves, and by January 1915 the initial offensive had been defeated with the Turkish forces sustaining 86 percent loses. Throughout the war, military operations in the Caucasus were characterized by extended supply lines over difficult terrain. Given over to offensive action, Russian forces in the region faced the unenviable prospect of creating their lines of communication as they advanced.

This lack of infrastructure gave the work of the zemstvos in the Caucasus what the Union’s official report called its “special character.” The Caucasus Front opened after extensive experience in the Western areas had made the Zemgor an integral part of the Army establishment. Generally, the practical necessities of war insured the Zemgor was well received by military commanders even as the government regarded the organization with increasing suspicion. Shortly after the opening of the Front, the Chief of the Sanitation and Evacuation Department, Prince Alexander Oldenburg, requested the Zemgor accept exclusive responsibility for the handling of casualties in the Caucasus. The Union took pains to emphasize that the resulting plan and the government

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6Russian requests for assistance were tempered by a strong desire to minimize British and French influence in Turkey. Control of the Straits represented a key Russian war aim, and it was not until March and April, 1915, that the Russian Foreign Minister secured qualified assurances that the Allies would defer to Russian claims after the war. Trumpener, Germany and the Ottoman Empire, 141-42.

7Fromkin, A Peace to End All Peace, 119-121.

8This request was less governmental than it would first appear. Prince Oldenburg was the head of the Russian Red Cross before additionally assuming his wartime government post. Zemstvo medical operations at the fronts were conducted under the flag of the Red Cross and initially Oldenburg attempted to restrict the zemstvos to supporting roles. The Red Cross, conservative and largely apolitical, never fully accepted the newcomers. John F. Hutchinson, Politics and Public Health in Revolutionary Russia, 1890 - 1918 (Baltimore: Johns Hopkins University Press, 1990), 111-15.
funding that made it possible were “sanctioned by His Majesty’s Viceroy of the Caucasus.” It is little wonder that the Union chose to emphasize what government approval the Zemgor could claim. Prince Lvov, President of the Union of Zemstvos and later President of the Provisional Government, wrote that the Union existed to do “things which the government was unable to do.”9 The history of the zemstvo movement in the war is a recurring tale of the voluntary organization moving to satisfy quasi-governmental functions with limited governmental approval. Even partisans of the voluntary organizations granted that they were prone to interpret their charter in the broadest possible terms.10

In the case of the Caucasus, the Army request to handle casualties resulted in the Zemgor taking responsibility for an extensive transportation network, ostensibly as part of its charter to facilitate medical evacuation. By January 1916, in addition to the 30,000 hospital beds it provided, the Union undertook the maintenance of the roads to Batum, Kars, Olta and Igdır, each of which was also a significant supply route to the forward

9The official report of the Union recounted the Zemstvo’s involvement in the Caucasus with particular pride. The document, with an introduction by Prince Lvov, was translated into English and published in Britain in 1917 and offers a succinct and useful account of the official Zemstvo attitude towards its work. The desire for recognition of the legitimacy and value of their efforts, both at home and abroad, as well as expansive liberal reform, is evident. General Committee of the Russian Union of Zemstvos, Russian Union of Zemstvos: A Brief Report of the Union’s Activities during the War with an Introductory Note by Prince G. E. Lvov (Moscow, January 1916. Reprint ed. London: London Committee of the Russian Union of Zemstvos, 1917), 2.

10An excellent overview of the issues involved in the extension of Zemstvo authority is found in Mark George, “Liberal Opposition in Wartime Russia: A Case Study of the Town and Zemstvo Unions, 1914–1917,” Slavonic and East European Review 65 (July 1987): 371-90. Prince Lvov himself typified the Zemstvo tendency to assume as much responsibility as others would tolerate. A contemporary recounted a Zemstvo meeting which had become occupied with a minor issue. Excusing himself, Lvov left the meeting and organized the purchase of some six millions rubles in factories by phone. When the meeting adjourned and the Union Treasurer was told of the new arrangement, the Treasurer objected to the lack of formal committee authorization. Lvov replied, “we will fill out the forms afterward. The transaction has been settled.” Tikhon Polner, Zhiznennyi put’ kniazia Georgiia Evgen’evicha L’vova
areas. Conditions on the latter three roads required the deployment of a specialized zemstvo medical and feeding detachment that managed a network of pack animals and motor cars staged along the roadway. Casualties were transported through the tenable sections of the road by car, then dismounted to cross higher altitude areas by sled or pack animal until reaching the next station where motor transport was staged.\textsuperscript{11}

That the Union's attention would include the railroads in the Caucasus can hardly be considered surprising. In addition to its interest in transport, the Union had increasingly moved through 1915 to supply military needs by acting directly as a broker between industry and individual military units, completely bypassing the military supply system. Further, the Union had experience in railroad supply and operation because of the extensive network of hospital trains it purchased and operated on the Western Front.\textsuperscript{12} The immediate impetus for the overseas locomotive order was the Russian military advance. The Russian offensive in January 1916, launched to preempt an offensive by Turkish forces freed by the Allied withdrawal from Gallipoli, enjoyed considerable success. By mid-February, an advance of over fifty miles on a seventy mile front had yielded the city of Erzerum and further extended the Russian rail supply lines.\textsuperscript{13} When faced with this new requirement, the Russian forces in the Caucasus expressed a need for

\textsuperscript{11}General Committee of the Russian Union of Zemstvos, \textit{Russian Union of Zemstvos: A Brief Report}, 31-34.

\textsuperscript{12}By January 1916, the Union had operated fifty hospital trains consisting of 1,755 cars. General Committee of the Russian Union of Zemstvos, \textit{Russian Union of Zemstvos: A Brief Report}, 13.

seventy railroad engines and 670 pieces of rolling stock suitable for the rail lines running to their forward supply centers. The request was passed directly to the Zemgor.\textsuperscript{14}

Once the request reached the Zemgor, a number of factors probably entered into the decision to send this particular locomotive order to a foreign supplier. By May 1916 according to the Russian Minister of Foreign Affairs, Russia had placed about $1,000,000,000 in orders in the United States, and both the Russian government and the Union were intimately familiar with the process for ordering equipment from abroad.\textsuperscript{15} Ordering from abroad bypassed much of the Russian bureaucracy and the problems of finding and dealing with Russian suppliers. Ordering abroad also introduced the possibility that British credits could be used for the purchase. Indeed, in the case of the Caucasus locomotives, the British government, "with the cooperation of the late Lord Kitchener, appropriated in the middle of March, 1916, $1,370,000 for the purchase" of the required locomotives and rolling stock, as well as "spare parts for the same, a few lathes for the repair works, and also for the payment of the shipping expenses."\textsuperscript{16} Not only did Kitchener have a long term interest in the Russian Front, but the successful Russian operation against Ezerum over difficult terrain impressed many Allied observers.\textsuperscript{17}

\textsuperscript{14}RG 261, Records of the Pekosnarm (Commission in U.S. of War Supply Committee of Petrograd District), Astroff to General F. F. Minchin, Inspector General, October 20, 1916.


\textsuperscript{16}It is a strong commentary on the Zemstvo position with both the London and American supply committees that it would be eligible to request and receive these official funds from the British government. None of the correspondence on the order presents this order as a particularly unusual case. For a detailed discussion of the civil representation on the Supply Commission see pp. 79-81 above. RG 261, Records of the Pekosnarm (Commission in U.S. of War Supply Committee of Petrograd District), Astroff to Minchin, October 20, 1916.

\textsuperscript{17}N. G. Korsun, \textit{Perevaia mirovaia voina na Kavkazskom fronte} (Moscow: Ministry of Defense of the USSR, 1946), 56.
For heavy equipment, given the commitment of British and French manufacturers to munitions, an order abroad meant an order in America. By March 1916, testimony in the State Duma indicated that over thirteen thousand rail cars had been ordered from American suppliers.18 Even prior to the war, American manufacturers were no strangers to the Russian railroad market. Through the 1890s, Baldwin Locomotive sold 500 locomotives to the Trans-Siberian Railroad, as well as over 200 to various roads in European Russia, and maintained a permanent agent in Saint Petersburg.19 This trade had been severely restricted beginning in 1902 when the Ministry of Ways and Communications introduced a committee to approve overseas orders for locomotives and rolling stock, effectively stifling the trade.20

The wartime lifting of these restrictions naturally attracted major American manufactures back to the Russian market. The largest was the American Locomotive Company, which had been formed in 1901 by the merger of ten separate locomotive manufacturers. In 1917, it was ranked by Forbes as the 61st largest company in the United States, and, together with the Baldwin Locomotive Works and the Lima Locomotive Works, represented virtually all American locomotive construction at the turn of the century.21 Technically, the company appeared well suited for the task of supplying locomotives to the Russian military. Like many American concerns doing business with

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18Coonrod, "The Fourth Duma and the War," 122.
the Russians, however, they were to find that the gulf of experience and expectations between American capitalists and Russian functionaries would produce a series of orders unique in their complications.

Sensing that the war offered a means to reenter the once lucrative Russian market, American Locomotive had moved quickly to offer its services. On October 7, 1914, the Secretary of the American Manufacturers Export Association wrote the Commercial Attaché of the Russian Embassy, Constantine Medzikhovsky, seeking "a letter of introduction . . . to the Secretary of Commerce in Russia" on behalf of Charles M. Muchnic, Manager of the Foreign Department of the American Locomotive Company and an officer of the Export Association. Muchnic, the letter explained, was "contemplating a trip in the near future to various European cities, including possibly Petrograd, in the interests of his concern." Muchnic would later become a key figure in the Union's orders with American Locomotive.

The representatives of the Zemstvo Union in the United States, created for just such a purpose, were the logical personnel to negotiate and conclude the order, and they commenced work. They were, however, very nearly preempted by their counterparts at home. The international representatives of American manufactures posed a continuing problem throughout the war. Naturally, these salesmen were anxious to conclude their

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\[22\] RG 261, Records of the Agent of Trade and Industry, E. V. Douglas, Secretary of the American Manufactures Export Association, to C. J. Medzikhovsky, October 7, 1914.

\[23\] The exact title of the zemstvo representatives in the United States caused some difficulty for their American contemporaries as well as this study. Most wartime zemstvo activity was, in fact, Zemgor activity, though there is no record of representatives of the All-Russian Union of Towns being in America during this time. The existent records refer to the American Locomotive Company order passing through the "Petrograd Committee for the Supply of the Army" or Pekosnarm. The same representatives and inspectors will refer to themselves as zemstvo and Pekosnarm personnel in contemporary documents.
part of the lucrative war trade. The prospect of parallel negotiations with the same supplier, as well as the manifold issues of coordination led most Allies to place orders only through a single commission and rely on the local manufactures’ representatives only as product experts. Within each government, however, trade representatives could find agencies that were exempt or would by-pass the official channels. If this phenomenon was problematic in Britain, it was more so in the less centralized Russian effort. On approaching the American Locomotive Company in mid-April, the Union office in New York was informed that “on March 23rd we [American Locomotive] received a cablegram from our representative in Petrograd . . . advising that a contract had been awarded to us by the Zemstvo-Souiz [sic] for the War Department, subject only to confirmation by the London Finance Bureau.” The offering price was $4965.00, plus an additional $350.00 to cover optional equipment that would permit the locomotives to burn oil as well as coal.

As the Union was clearly interested in quick delivery, the firm advised that the first engine could be finished within 60 days from the confirmation of the order, with all 70 engines done within 110 days.24 The Union representative spent much of the remainder of the month determining exactly what offers had been made to whom. In the mean time, the Union had requested that American Locomotive hold their offer open for three weeks. Citing “the extraordinary conditions of the steel market,” the firm declined, noting that “the prices we gave you were subject to acceptance during last month, and . . . you must

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24RG 261, Records of the Pekosnarm (Commission in U.S. of War Supply Committee of Petrograd District), Charles M. Muchnic, Vice President of the American Locomotive Company, to the American Commission of All-Russian Zemsky Union, April 19, 1916.
impress upon your committee in London and Moscow the advisability of acting more promptly."

American Locomotive finally accepted the order, which it designated #C-467. Once formalized, the Russian Committee was obliged to provide American Locomotive with inspectors for the soon to be completed engines. The first and primary Russian inspector, Professor Michel Gololoboff, arrived in Patterson in July and installed himself at Kelsey House near the factory. He was soon joined by at least three other Zemgor representatives. Inspection was one of the most consistent causes of complaint for American manufacturers of Russian orders, and the American Locomotive order was to prove no exception. Where Russian inspectors were apt to see deviations from the contract, American manufacturers saw deviations to the contract. Exactly a month after Gololoboff's arrival at the works, Muchnic felt compelled to inform him that "the numerous changes that have been made since your arrival here...necessitated discarding of materials ordered and the ordering of new materials." As a result, the shipment of the seventy engines would "naturally be delayed." When the Pekosnarm demanded an explanation for the delay, Gololoboff conceded that the delay was "caused partly by our indications to [American Locomotive] not to alter specifications." But, he argued that the Russian inspectors had "required nothing above specifications" but "in contrary have

25RG 261, Records of the Pekosnarm (Commission in U.S. of War Supply Committee of Petrograd District), Charles M. Muchnic, Vice President of the American Locomotive Company, to the American Commission of All-Russian Zemsky Union, April 26, 1916.

26RG 261, Gololoboff to Pekosnarm, Western Union Cablegram, July 11, 1916.

27RG 261, Records of the Pekosnarm (Commission in U.S. of War Supply Committee of Petrograd District), Muchnic to Gololoboff, August 11, 1916.
accepted alterations" to facilitate the order.\textsuperscript{28} It is certainly possible that American Locomotive underestimated the effect of the considerable custom work the Russians typically demanded on their foreign produced locomotives. However, the pattern of Russian inspections during the war suggests that unfamiliarity with American manufacturing practices caused unnecessary delays.

Whatever the cause, the prospect of delay raised concern both in America and Russia. Muchnic had noted that the order could still be completed in "ample time for shipment to Archangel before the port is closed for the winter," but given the difficulties in transport any delay was problematic.\textsuperscript{29} Delaying the order disrupted the production schedule for the entire Patterson plant, delaying other war orders. The next major order due had been placed by the British government and was intended for the Egyptian State Railway. On August 25, 1916, the export department at J. P. Morgan, acting in the name of General Minchin as well as Morgan, cabled the Ministry of Munitions informing them of the delay in the Russian order. The Russians had requested that work on the Egyptian order be delayed for one month to facilitate their shipment via Archangel prior to its winter closure. Noting the "difficulties of transport of locomotives via Siberia and the urgent necessity for these locomotives for Caucasus operations," Morgan recommended accepting the delay of the Egyptian order.\textsuperscript{30} The same day, Professor Astroff, the senior representative of the Zemstvo in America, also telegraphed General Hermonious to inform

\textsuperscript{28}RG 261, Gololoboff to Pekosnarm, Western Union Cablegram, August 23, 1916.

\textsuperscript{29}Ibid.

the London Committee of the problem. In early September, the British government replied via Morgan that the Egyptian order could be delayed.

The delays in production both highlighted and exacerbated the seemingly simple problem of arranging transportation for the completed locomotives. By fall of 1916, the increasing tide of Allied war orders, compounded by typical heavy seasonal demand, had resulted in the number of freight car loads requiring shipment exceeding the amount of available rolling stock by 114,908 car loads. While a locomotive manufacturer was probably in a position to circumvent this difficulty, the more acute problem of ocean transport dogged the Union. While the contract clearly called for American Locomotive to deliver “free alongside” (FAS) a steamer provided by the Union, the practical issue of who among the Russians was arranging transportation seemed to have evaded both the Russian delegation and American Locomotive. Initially, American Locomotive was under the impression that the redoubtable Medzikhovsky had responsibility for shipping. He quickly clarified that while he, as the Commercial Attaché, had conveyed the Russian government’s official permission for the locomotives to be admitted to Archangel, “this . . . did not mean that I was to ship them as I have no instructions . . . and no information about this order.” Rather, he recommended that American Locomotive contact either the Union office in New York or the Russian inspector currently working at the American

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31 RG 261, Astroff to Hermonious, Western Union Cablegram, August 25, 1916.


33 For a detailed discussion of the transportation problem, see pp. 70-74 above.
factory. Muchnic chose the closest representative, Professor Gololoboff, and informed him that “doubtless you and your committee will arrange for the transportation of these locomotives.” It was a statement based more on hope than fact.

As locomotives began to be completed in August, the Russian delegation had still not arranged transportation for them. Unable to deliver alongside a steamer and thus satisfy the contract requirement for deck papers, American Locomotive requested to be paid based on units completed and stored at the Patterson plant. By the end of August, some fifteen engines were waiting shipment there with two more being completed each day. The Committee managed to reduce the backlog in September, when Gololoboff reported that twenty-eight of the thirty units completed had been shipped on board the Russian Volunteer Fleet freighter TURGAT. The freighter OMSK was scheduled to ship another thirty in the near future.

Wartime shipping schedules, however, were to prove unreliable, particularly when dealing with the Russian Volunteer Fleet. In mid-October the manager at the Patterson plant addressed a letter to Mr. Muchnic, appealing for his help in moving the remaining Russian engines. Twenty-two of them remained at the factory, creating a “very congested condition” and complicating the completion of the delayed Egyptian order. From the

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34RG 261, Records of the Pekosnarm (Commission in U.S. of War Supply Committee of Petrograd District), C. J. Medzikhovsky to Charles M. Muchnic, Vice President of the American Locomotive Company, July 28, 1916.

35RG 261, Records of the Pekosnarm (Commission in U.S. of War Supply Committee of Petrograd District), Muchnic to Professor Michel Gololoboff, August 2, 1916.

manager's comments it is clear that the transport aboard the OMSK did not occur, as the locomotives shipped to the New York piers other than those shipped on TURGAT remained.\textsuperscript{37} The locomotives that the Committee and the war effort so urgently required were going nowhere. Addressing the problem to the Russian Committee, Muchnic noted that, aside from the inconvenience, leaving the engines at the factory:

is having a demoralizing effect upon our men who have been urged to complete the locomotives with the utmost despatch \textsuperscript{[sic]} possible. We cannot call upon our men to exert their best efforts, to work overtime if necessary, in order to complete locomotives within contract time and when such locomotives are completed to have them stored in our yards for days and weeks without being shipped.\textsuperscript{38}

The situation was serious enough that Professor Astroff had departed for Britain three days prior to discuss Russian shipping needs. The delegation summed it up succinctly in their October 24 telegram to Petrograd—"cannot ship rest no steamers."\textsuperscript{39} The last engines of order C-467 would remain in the United States, sitting at the Russian Volunteer Fleet pier in New York, until at least early the next year, and probably remained until the Commission's liquidation.

The Committee's efforts to solve the transportation problem were no doubt complicated by the personal disagreements that had developed among the zemstvo representatives in Patterson. Gololoboff clearly fancied himself first among the delegation. By early September, the situation had caused four remaining officials, but particularly


\textsuperscript{38}RG 261, Records of the Pekosnarm (Commission in U.S. of War Supply Committee of Petrograd District), Muchnic to All Russian Zemske \textsuperscript{[sic]} Union, October 24, 1916.

\textsuperscript{39}RG 261, Saknovsky, Poliakoff and Vassilieff to Pekosnarm, Western Union Cablegram, October 24, 1916.
Inspector Meyer, to complain to Petrograd. In response, the Pekosnarm informed Gololoboff that the Petrograd Committee had given his four colleagues “equal rights with collegial decision of matters.” Since this arrangement was not working, the Petrograd Committee authorized Professor Astroff “to arrange henceforth in Pekosnarms name [sic] mutual relations between members of commission and altar [sic] instructions personally.” The new relationship was obviously unsatisfactory. Within four days, five inspectors signed a telegram to the Petrograd Committee asserting that Gololoboff was obstructing the work of the Committee with “his incapacity to organize, allowance to works and with reaction in all questions.” To this point, his colleagues claimed that they had “tried all measures to repair situation include [sic] explanation [to Professor] Astroff . . . together labor is impossible.” The next day Petrograd replied: Gololoboff, whose planned assignment in America had almost expired, was to return to Russia as planned; Meyer, who had sought an extension in the United States, had been denied and was to return to Russia as well. A month later, Inspector Vasilieff noted in a telegram to Petrograd that Meyer and Gololoboff had both departed for home on September 30th - Meyer via

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40 This tendency toward group decision making and diffused authority is a common theme throughout Russian war supply efforts both at home and abroad, and stands in marked contrast to the authoritarian powers given supply officials in the other Allied nations. When a French supply minister visited Russia in May 1916, one Russian General was so struck by the amount of control the minister exercised that he remarked “no one in Russia has such power. We are without a leader . . . and yet Russia is an autocracy.” More succinctly, the Grand Duke Serge told the same minister “you are an autocrat and I am an anarchist!” The same comments could be applied to the Russian Supply Commission. Knox, *With the Russian Army*, vol.2, 418-19.

41 RG 261, Pekosnarm to Gololoboff, Western Union Cablegram, September 6, 1916.

Archangel and Gololoboff via Vladivostok.⁴³

Even as collegial relations were being restored among the Russian delegation, a new problem arose as the Russians attempted to secure spare parts that had been authorized as part of the initial locomotive purchase. When on October 1, 1916, the Zemstvo representatives offered their list of spare parts to be added to the locomotive shipment, they expected a price quote that reflected cost plus ten percent. The response from American Locomotive was, in their view, entirely too expensive, and the Union requested “in view of the high quotations on the spare parts for our locomotives . . . a list of relative prices on those parts, accompanying same by detailed documents which prove the cost of fabrication.”⁴⁴ Mr. Muchnic replied that the purchase of spare parts on a cost basis applied only to parts ordered with the locomotives and produced at the same time. The Union had not executed this option in April “although we . . . continually warned you that the prices of materials and labor are constantly rising.”⁴⁵ In the fall of 1916, prices in America had increased almost 180% since June 1914, and based on the added cost resulting from the delay in the initial locomotive order it ought have been evident to the Union that delay in placing any order in such an economy would add considerably to its

⁴³RG 261, Pekosnarm to Astroff, Western Union Cablegram, September 11, 1916; Vasilieff to Pekosnarm, Western Union Cablegram, October 6, 1916.

⁴⁴RG 261, Records of the Pekosnarm (Commission in U.S. of War Supply Committee of Petrograd District), Charles M. Muchnic, Vice President of the American Locomotive Company, to the General Russian Counties and Towns Union, October 23, 1916; RG 261, Records of the Pekosnarm (Commission in U.S. of War Supply Committee of Petrograd District), N. Vassilieff and M. V. Koudriavzoff to Charles M. Muchnic, Vice President of the American Locomotive Company, November 1, 1916.

⁴⁵RG 261, Records of the Pekosnarm (Commission in U.S. of War Supply Committee of Petrograd District), Charles M. Muchnic, Vice President of the American Locomotive Company, to the General Russian Counties and Towns Union, November 2, 1916.
Despite this observation, Union representatives began what was to be a torturous four-month negotiation over the particulars of the spare parts contract. The Union wanted to pay following delivery on board the steamer rather than to the pier. Mindful of the continued transport difficulties with the locomotive order, American Locomotive declined, observing that "there is uncertainty as to whether you will have steamers ready." The Union sought to stipulate the thickness and finish of the wooden shipping boxes, as well as the finish of all the parts. The Union sought to eliminate all risk or uncertainty from the order, and so doing failed to account for the uncertainty of the war.\(^{47}\)

By January, the usually diplomatic Mr. Muchnic was clearly becoming exasperated with the negotiations. He explained that:

> Due to the abnormal conditions existing at the present time, we regret that we cannot accept an order from you except on the conditions as stipulated by our attorneys. Most of our transactions running into very large sums of money are covered by contracts that are very brief and simple and are largely based on good faith between the two contracting parties. The wording to which you take exception in our contract is largely brought about by your not accepting our formal proposition covering the execution of the order for your spareparts [sic] and which was worded the same as hundreds of similar propositions that we make almost daily and which no one ever questions.

> You submitted to us a contract which was made to tie us down absolutely to every detail and which we naturally had to submit to our attorneys . . . considerable time has been lost. . . .\(^{48}\)

\(^{46}\)The overall 180% price increase does not reflect a much larger price increase in specific war related commodities. Grady, *British War Finance*, 166.

\(^{47}\)Charles M. Muchnic, Vice President of the American Locomotive Company, to Professor A. Astof, General Russian Counties and Towns Union, December 28, 1916; Records of the Pekosnarm (Commission in U.S. of War Supply Committee of Petrograd District), RG 261; NARA.

\(^{48}\)RG 261, Records of the Pekosnarm (Commission in U.S. of War Supply Committee of Petrograd District), Charles M. Muchnic, Vice President of the American Locomotive Company, to A. Sakhnovsky and N. Vassilieff, January 16, 1917.
As a result, Muchnic explained, the prices at which the spare parts had been offered had expired, and it would be necessary for American Locomotive to adjust the order. On February 13, 1917, the order for $24,780.93 in spare parts was finally closed, delivery to be made no later that June 3, 1917.\(^{49}\)

Even as the spare parts issue was drawing to a close, the Pekosnarm plunged further into the American market. During the spring, the Caucasus Army had received the first of the initial American Locomotives and had pronounced them fit for service. On this basis, it had requested an additional order be placed and, in early April, Vassilieff found himself requesting Mr. Muchnic provide the cost and delivery time for an additional sixty to seventy locomotives.\(^{50}\) The resulting quote came as a shock to the Russians, who had failed to account for the effects of wartime inflation. The American entry into the war in mid-April further complicated the negotiation. Placing an order for a military commodity such as railroad engines suddenly required the approval of the Council of National Defense, which was moving to coordinate American industrial efforts.\(^{51}\) The Russians met at least twice with the Chairman of the Council, Bernard Baruch, who consented to place the order. The Russians explained that the estimates of both American Locomotives and Baldwin were running between $10,500 and $11,000, a 90 percent increase over the year.

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\(^{49}\)RG 261, Records of the Pekosnarm (Commission in U.S. of War Supply Committee of Petrograd District), N. Vassilieff and R. Polianoff to Charles M. Muchnic, Vice President of the American Locomotive Company, February 13, 1917.

\(^{50}\)RG 261, Vassilieff to Muchnic, April 6, 1917.

\(^{51}\)The Council on National Defense was established by Congress as an industrial advisory board in 1916. After the American declaration of war, the Council assumed sweeping powers over industry and trade. It was folded into it successor organization, the War Industries Board. Bernard M. Baruch, *American Industry in the War: A Report of the War Industries Board* (New York: Prentice-Hall, 1941), 17-19.
While smaller manufactures could offer better terms, only the major manufacturers could deliver before the winter closure of Archangel. The appeal for government intervention provided no help.\(^{52}\) When order \#C-517 was finally signed with American Locomotive in July, the Committee agreed to purchase sixty-eight locomotives at $12,560 each. Learning from the previous transportation problems, American insisted that the completed locomotives be accepted at the plant, and that the Russians provide rail transport from the plant within five days of their final inspection. If the Russians failed, they would be charged for the storage of the engines.\(^{53}\)

This forethought, however, was to no avail. The already poor state of rail traffic in the United States worsened as industry moved to war production, and the delivery of certain minor parts for the engines was delayed. By February, these missing parts were cited by the Russians as they refused delivery of the locomotives, despite twenty-two of them having been tested and ten already boxed for shipping. An exasperated Muchnic wrote the Committee that American Locomotive “did not expect your present attitude but rather anticipated that you would trust our Company” and that American required the payments due on acceptance “to carry out our important contracts for this government and the Allies.”\(^{54}\) Between the lines, however, is the fact that by not signing for the locomotives, the Russians were not required to move them; and all sixty-eight engines in the order would remain at Patterson well after completion.

\(^{52}\)RG 261, Records of the Pekosnarm (Commission in U.S. of War Supply Committee of Petrograd District), Kapoustine and Vassilieff to Baruch, May 26, 1917.

\(^{53}\)RG 261, Records of the Pekosnarm (Commission in U.S. of War Supply Committee of Petrograd District), Contract between Pekosnarm and American Locomotive, July 9, 1917.

\(^{54}\)RG 261, Records of the Pekosnarm (Commission in U.S. of War Supply Committee of Petrograd District), Muchnic to Kapustine, February 1, 1918.
Even as the second order was in negotiation, the initial order C-467 for the original seventy locomotives, completed over a year ago, remained an issue for American Locomotive. The terms of the contract called for a representative of the company to assist in the set up and operation of the locomotives during a one-year warrantee period. The delays in initial delivery and transport to Russia, while considerable, were minor compared to the delay involved in assembling the locomotives on Russian soil. By August 1917, only twenty-three engines had been set up. At this rate, the set up process threatened to take more than a year, and the American engineers involved were "urgently needed . . . in connection with other contracts." Beyond the expense of maintaining personnel in Russia, the delay in set up threatened to hold almost indefinitely the financial settlement of the contract. The final 3 percent of the contract was payable after the conclusion of the warrantee period, which itself could not begin until the engines were in operation. American Locomotive had predicated the contract on "the assumption, based on many years of experience, that the assembling of the 70 engines would consume at the outside two months." Given the delays, in October, American requested full payment for the order.\(^{56}\)

Not until June 1918, did the final financial settlement of both locomotive contracts take place. The Pekosnarm sent Mr. Muchnic a check for $35.00, and indicated that as the Pekosnarm would be "suspending" American operations in the near future,

\(^{55}\)RG 261, Records of the Pekosnarm (Commission in U.S. of War Supply Committee of Petrograd District), Muchnic to Vassilieff, August 15, 1917.

\(^{56}\)RG 261, Records of the Pekosnarm (Commission in U.S. of War Supply Committee of Petrograd District), Muchnic to Vassilieff, October 2, 1917.
correspondence should be addressed to the Supply Division of the Russian Embassy.57

By April, 1918, events had made the sixty-eight completed locomotives stored at Patterson superfluous. Two revolutions after the initial order, the Caucasus Army and its transportation requirements had ceased to exist. The Commission requested that American Locomotive assist in selling the engines, a request American quickly passed to the Council of National Defense. The Council first addressed the question to the respective Allied purchasing agents in the United States, then to the United States Railroad Administration. By August, each agency, as well as the War Department, had refused to purchase the Russian engines.58

While the exact fate of the sixty-eight Russian locomotives after September cannot be determined, it is doubtful that a nation at war and short of locomotives would ignore a possible source of transport. In December 1917, the United States government had taken control of all railroads under the United States Railroad Administration (USRA). Faced with its own problem of securing locomotives for growing wartime demand, the USRA mandated a series of standardized designs, with all purchasing being negotiated and finalized through a USRA Purchasing Committee.59 As an emergency measure, it also

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57RG 261, Records of the Pekosnarm (Commission in U.S. of War Supply Committee of Petrograd District), Kapaustine to Muchnic, June 18, 1918.

58RG 261, Records of the Pekosnarm (Commission in U.S. of War Supply Committee of Petrograd District), Muchnic to S. M. Vauclain, Chairman of the Committee on Production, Council of National Defense, April 22, 1918; RG 261, Records of the Pekosnarm (Commission in U.S. of War Supply Committee of Petrograd District), James Carr, Business Manager, War Industries Board to S. Ughet, Director of Supplies, Russian Supply Commission, June 6, 1918; RG 261, Records of the Pekosnarm (Commission in U.S. of War Supply Committee of Petrograd District), Colonel M. C. Tyler, Director of Military Railways to Director of Supplies, Russian Supply Commission, August 6, 1918.

purchased approximately two hundred 2-10-0 ("Decapod") locomotives produced by American Locomotive and Baldwin under Russian government contract.\(^60\) While reportedly disparaged for their European appearance, the Russian 2-10-0s generally performed well on American rails. Adapting these locomotives to American use posed the same challenges which would have affected the Caucasus engines, and there is no reason to believe the smaller 0-6-0s from the zemstvo contract could not have been used.\(^61\)

The locomotives that had been delivered to the Caucasus became prizes in the disintegration of the Russian Empire. The territory containing most of the engines was part of that returned to Turkey under the terms of the Treaty of Brest-Litovsk.\(^62\) Cut off from most news themselves, the Russians wrote one of the former Patterson plant managers in September, 1918, “to express to you our greatest appreciation and thanks” and let him know what had become of the locomotives he had helped build:

> The only information we have had stated that 42 of them were assembled . . . but Mr. Robert Brown, who recently came from Russia, informed us that 27 of our locomotives . . . were taken by Turks. What happened to the others nobody can say.\(^63\)

\(^{60}\)2-10-0 is shorthand for the engine’s wheel arrangement. Always given in at least three parts, the middle numbers represent the number of drive wheels and thus the engine’s power.


\(^{63}\)RG 261, Records of the Pekosnarm (Commission in U.S. of War Supply Committee of Petrograd District), Unsigned letter to E. C. Fisher, American Locomotive Plant Manger, Chester, PA; September 27, 1918.
CHAPTER VII

REVOLUTION AND CLOSURE

THE PROVINCIAL GOVERNMENT

The installation of the Provisional Government in February 1917, represented the political ascendance of Russian liberalism. Prince Lvov, head of the Union of Zemstvos, became President, while Paul Miliukov assumed duties as Foreign Minister. Passionately committed to the continuation of the war, the Provisional Government eagerly sought to continue and expand foreign supply of Russian forces. Had the stifling effect of the Tsarist government been the key reason for the astonishing inefficiency of Russian purchasing in the United States, the months of Provisional Government rule should have represented the most productive months of the Allied supply relationship. Instead, the Provisional Government continued many of the same errors of the previous regime, proving that it, too, was ill equipped to handle such issues.

Once the pro-war views of the new government had been established within Allied circles, the earnest hope was that a Russian democracy would represent a more stable, reliable and honorable partner.\textsuperscript{1} The most widespread, if not particularly well informed, view in official circles was that the Russian people supported the war, even if they did not support their government. The Provisional Government, led by a coterie of western oriented liberals largely known in Allied capitals, tried to feed this idea and probably sincerely believed it. Prince Lvov had informed a visiting French delegation in February

\textsuperscript{1}The most common view that the Allies lost confidence in the Russian war effort after July 1917 is presented in L. P. Morris, “The Russians, the Allies and the War, February-July 1917” Slavonic and Eastern European Review 50 (January 1972): 29-48. The case for an earlier and more gradual loss of confidence in found in Keith Neilson, “The Breakup of the Anglo-Russian Alliance: The Question of Supply in 1917” The International History Review 3 (January 1981): 62-75.
1917 that:

Russia is filled with belief in the successful ending of the war, but she clearly recognizes that the principal danger of the present position is not from without but from within the country and that . . . government supported by representatives of the people and capable of containing the whole vital forces of the nation are the . . . absolutely essential conditions for the attainment of victory.²

Here the “ministry of public confidence” that Russian liberals had been calling for since late 1915 was being presented as an aid to the Allied effort.

Certainly that was the official verdict of the Russian Supply Commission in America. The Commission had received its first official notice of the events in Petrograd on March 15, 1917, two days after the Duma Committee formed a Provisional Government. The true shock arrived on March 21, when a cablegram addressed to the Military Agent in the United States arrived from Petrograd:

In addition to the radio-telegram transmitted on the 3rd of March [o.s.] on this subject, I report that on March 2 [o.s.], the Emperor abdicated for himself and his son in favor of the Grand Duke Michael Alexandrovich. The latest in the transformation is that he will only take supreme power if such is the will of the people, expressed by a Constituent Assembly. All the major directorates of the War Ministry continue without exception to function under the authority of the Provisional Government. Life gradually settles into its own framework, and quite successfully. The title of “lower ranks” is replaced by the term “soldiers.” Soldiers are required to refer to superiors politely, but superiors are addressed personally. For example, “Citizen General or Colonel and so on.”³

Shortly after this message, the Pekosnarm representatives received a cable from their superiors assuring them that the:

new Provisional Government [is] trusted by population [and] goes

²Lvov quoted in Morris, “The Russians, the Allies and the War, February-July 1917.”: 30.

on working for needs of the Army. Committee asks Commission to use utmost efforts if fulfilling intrusted [sic] work for benefit [of] our country.  

Committee replied that “trusting in the great future of Russia, we use every effort in work for army needs and benefit our country.”

The prospects for the Russian Commission in America were buoyed when the United States became the first nation to recognize the Provisional Government. The decision to recognize the shift in power had actually been made by Washington on March 20, before the Russian Commission in New York had officially been apprised of the situation. Paul Miliukov, installed as the Foreign Minister, received Ambassador Francis on the morning of March 22.

The ascendance of liberal elements within Russian supply efforts was insured by the Provisional Government’s diplomatic legation to America. When the Provisional Government sent its first formal representatives to the United States in April 1917, the delegation was chaired by Professor Boris A. Bakhmeteff, the former Central War-Industries Committee representative to the Russian Supply Commission. Named initially as the Provisional Government’s Assistant Minister of Trade and Industry, Bakhmeteff arrived in the United States as head of the “Extraordinary Embassy” and remained as the ambassador of the new government. As ambassador, Bakhmeteff assumed control of all Russian purchasing efforts in the United States. Bakhmeteff was accompanied from

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4RG 261, Records of the Pekosnarm (Commission in U.S. of War Supply Committee of Petrograd District), Pekosnarm to Vassilieff, no date (approximately March 22, 1917 by context).

5RG 261, Records of the Pekosnarm (Commission in U.S. of War Supply Committee of Petrograd District), American Commission of the Pekosnarm to Pekosnarm, March 24, 1917.

6*Foreign Relations of the United States, 1917: Secretary of State to Ambassador Francis, March 20, 1917; Ambassador Francis to the Secretary of State, March 20, 1917.*
Russian by Colonel Oranovski, Vice-President of the Munitions Committee in New York. Upon reaching the Pacific Coast of the United States, Bakhmeteff requested that General Khrabrov, Chief of the Artillery Commission, meet him on his arrival in Washington.⁷ General Zaluboffsky, who had evicted Bakhmeteff from the Supply Commission in August of the previous year, was himself relieved and ordered to return to Russia, while General Khrabrov assumed leadership of the Supply Commission.⁸

The arrival of the delegation as America was finally entering the war offered the immediate prospect of exploiting American finance and industry as a co-belligerent. The Americans had actually raised the question of American finance of Russian purchasing prior to the declaration of war on Germany. On April 3, Ambassador Francis was charged with finding “if financial aid or credit is desired by the Russian Government.” If so, Secretary Lansing authorized him to “discuss tentatively the idea that the United States Government might extend such credit.” The Department wanted to determine if the credit offered “would be used for the purchase of supplies in the United States, and what amount of credit would likely by required over a period of six months.”⁹

The Russians responded with obvious enthusiasm. Bark informed Ambassador Francis that “Russia would expend entire proceeds in the United States by direct purchases and not through British intervention as heretofore.” Presented the prospect of a new source of funding, the immediate Russian response was to use it to avoid the hated

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⁷Foreign Relations of the United States, 1918, Russia, vol. 1: Secretary of Embassy, temporarily in the United States, to the Secretary of State, June 15, 1917.

⁸Gaiuk, Utiur, 84.

⁹Foreign Relations of the United States, 1918, Russia, vol. 3: The Secretary of State to the Ambassador in Russia, April 3, 1917.
British control system. Russian needs, Bark indicated, would demand a $500 million loan "provided tonnage therefor can be secured." The prospects were small of securing shipping for an additional half billion dollars in supplies, much less their transport into the Russian interior. Russia, however, would not be denied. The American loan, Bark continued, would have to be on the same terms as previous Allied loans as it "would be injurious to the new government and humiliating to Russia if she were not granted the same terms." Discussing Russia's current debts, Bark brought up the reduction in British support from the 8 million tons promised in February to 4.2 million tons. Britain, Bark explained, had also promised "$360,000,000 to pay for purchases in America during 1917 . . . made by Russian commission in America but approved by England." The Russians wanted to "hold England to furnishing $360,000,000 mentioned above in addition to what we advance Russia." With Bark arranging a new source of financing, the natural instinct in the Tsarist bureaucracy was to secure as much of the funds as possible by quickly obligating the money. With characteristic impatience, the Russian Minister of Way of Communication telegraphed his agent in America, instructing him to:

Immediately order to commence work 500 locomotives and 10,000 twenty-ton cars for quickest delivery. Consult American War Department. Credit terms arranged later but money considered quite sure.

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10 Foreign Relations of the United States, 1918, Russia, vol. 3: Ambassador to Russia to the Secretary of State, April 6, 1917.

11 Foreign Relations of the United States, 1918, Russia, vol. 3: Ambassador to Russia to the Secretary of State, April 20, 1917.

12 Foreign Relations of the United States, 1918, Russia, vol. 3: Ambassador to Russia to the Secretary of State, April 25, 1917.
Faced with these instructions, Secretary Lansing informed Francis that such orders should await Russian consultation with the Treasury Department. Further, the Russians needed to understand that purchase in the United States would have to be made through an American commission empowered to place Allied orders.13

Unlike the British government, the United States was in a position to enforce its demand that purchasing be logically organized. The zemstvo representatives probably had the first Russian experience with the fledgling organs of American control when they placed their second locomotive order with the American Locomotive Company. On August 24, 1917, the Russian Ambassador signed a memorandum between the Russian government and the Secretary of the Treasury, effectively consolidating in American hands Russian military orders. Three Americans, among them Bernard Baruch of the War Industries Board, were designated “a Commission through whom or with whose approval or consent all purchases in the United States of materials and supplies by . . . the Government of Russia shall be made.” The Commission would receive Russian requirements and attempt to determine available suppliers, prices and terms, and would pass this information to the Russian Supply Commission. The memorandum was calculated both to preserve the current system of cooperation in Allied supply planning and avoid forcing the United States to arbitrate supply decisions. “Since other foreign governments engaged in war with the enemies of the United States may have entered into similar arrangements,” the memorandum stated, “it is understood that all such foreign governments shall agree among themselves as to their several requirements and as to the

13 Foreign Relations of the United States, 1918, Russia, vol. 3: Secretary of State to the Ambassador to Russia, April 28, 1917.
priorities of delivery.” The Russians were

under no obligation to make purchases of materials . . . at the prices
and upon the terms so submitted by the Commission, but it is agreed
that [the Russian government] shall not . . . make purchases in the
United States otherwise than through . . . the Commission.

Through the memorandum, the American achieved the control over Russian purchasing
which the British government had sought for three years and failed to achieve. By fall of
1917, the Americans controlled both sides of the supply equation. Through the War
Industries Board, the United States government could stymie war orders it felt were
disruptive. It also increasingly controlled Russian funding. Though the memorandum
stipulated that nothing it contained would "impose any obligation or liability upon the
United States . . . to advance moneys [or] to establish credits," the United States was in
the process of replacing Britain as Russia’s main financier.14

The American entry into the war set off a furious debate over who was to finance
the Russian Supply Commission and how the money was to be spent. From the British
perspective, the Americans were maddeningly fair about their support of each ally, failing
to appreciate the financial strain which Britain had borne for the cause. The August 24
agreement between Russia and the United States was virtually a verbatim copy of an
agreement signed by Britain and the United States the same day.15

For their part, the British now found themselves in the role that the Russian had
been playing for the past several years: a belligerent power, dependent on foreign credit,

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14RG 261, Records of the Agent of Trade and Industry, “Memorandum of an arrangement . . . by
the Secretary of the Treasury . . . and the Russian Ambassador,” April 24, 1917.

15United Kingdom, History of the Ministry of Munitions, vol. 2, General Organization for
Munitions Supply, part III, Munitions Organization in the United States of America, 121-22.
obligated to place orders through a foreign control board. The results, while better than those of the Russians, were not exemplary. In a November 1917 report, the British Purchasing Mission in the United States observed that British Ministries were causing great difficulties because of their tendency to purchase through American representatives in Britain rather than through the official control board. Truly, the wheel had come full circle.\(^\text{16}\)

Russia had initially wanted American credits to be completely independent of British funds. As British funds were already pledged for existing orders, the American money, free from British controls, could be used for new purchases. The British, however, were not amiable to Russian plans. As early as April 28, 1917, the British government began withdrawing credit from orders in the process of being placed. The Glavnoe Artilleriiskoe Upravlenie representatives in New York had closed a deal with the Poole Engineering Company for eighty McLean guns and 400 thousand rounds of ammunition, approved through the Anglo-Russian Sub-Committee in the typical manner, only to be informed after the fact that Britain would not finance the order. At the May 3, 1917, meeting of the Sub-Committee, the members unanimously approved a letter to the British Minster of Munitions, emphasizing that the agreement of July 31, 1916, had been observed in this order, and that the agreement prohibited the withdraw of approved credit except by mutual consent. General Khrabroff, writing for the Sub-Committee, said that

\[\text{the decision from the British Government will highly discredit not only my position in America, but also of the Anglo-Russian Sub-Committee, that this particular case is not the only one of its kind that has happened, I am asking you to take action against the creation of such situation, which in the end only discredits the}\]

\(^{16}\text{Ibid., 68.}\)
Russian Supply Commission in the eyes of American Manufacturers. . .

It is clear from the minutes that the British members were also surprised by the action of their government.

By the June 11, 1917, meeting, the situation for the Russian Supply Commission had grown worse. In early June, the British government formally informed the Commission that no additional financial guarantees would be made. The Russian members of the Sub-Committee presented a written protest to their British counterparts, explaining that the British decision affected "orders which have already been placed . . . with American firms on the grounds of information received about the allotment of credits by the British Treasury." The British members replied that, due to the American declaration of war, "the British Government was not, insofar as the British members knew, now at liberty to make independent financial arrangements in America."18

Not only was the protest to no avail, but the British government expanded its decision beyond the refusal to finance new or pending orders. In July 1917, it informed the Russian representatives in London of Britain’s "categorical refusal . . . to continue payment on Russian orders in the United States in view of the fact that the British Government itself disposes of no other credits in dollars save those which opened for payment of English orders." As a result the Russians requested from the Americans an additional $25 million to cover purchases coming due in America in the immediate

17RG 261, Records of the Office of the Chairman, "Minutes of the Conference of the Anglo-Russian Sub-Committee of May 3, 1917."

18RG 261, Records of the Office of the Chairman, "Minutes of the Conference of the Anglo-Russian Sub-Committee of June 11, 1917."
future. The Russians later expanded their request to cover all contracts previously placed through Britain, J. P. Morgan and Company or the Russian Supply Commission in America, an estimated $250 million in debt, be transferred from British to Russian liability and funded from American loans. This sudden change was the result of British statements that it could "get American credit only for supplies furnished to herself." Considering that Russia had expressly asked that such a transfer not occur two months earlier, the Americans were not initially obliging. As Ambassador Francis informed the Russian Minister of Foreign Affairs, "England assumed such obligations before we entered the war and before knowing we would enter." Within a short time, Francis conceded that "from commercial viewpoint England should guarantee such obligations but [it] would be impolitic to so require."

The British government weighed in on the discussion during the beginning of August, when the British Ambassador to the United States outlined for his less experienced Allies the difficulties of dealing with Russian orders. The central problem, he explained, was "the narrow limits within which shipment is possible although . . . orders might be placed to an unlimited extent." Vladivostok had an accumulation of 662,000 tons of supplies that would take through the end of 1917 and most of 1918 to move. The British had thus suspended shipments to the port, with the exception of railroad equipment that might expedite the handling of supplies. The White Sea routes would close for the

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19 Foreign Relations of the United States, 1918, Russia, vol. 3: Ambassador to Russia to the Secretary of State, July 17, 1917.

20 Foreign Relations of the United States, 1918, Russia, vol. 3: Ambassador to Russia to the Secretary of State, July 22, 1917.

21 Foreign Relations of the United States, 1918, Russia, vol. 3: Ambassador to Russia to the Secretary of State, August 2, 1917.
1917 season with 188,043 tons of unshipped goods left in France; 75,800 tons in Britain and 447,359 tons in the United States.

The goods which Russia has thus ordered already exceed more than can be shipped by June of next year. Particularly this is the case as far as regards America where at the end of the season enormous masses of material will still remain unshipped.

From the above it follows that it will be useless, for many months to come, to place any more substantial orders for Russia. . . .

Thus, the Ambassador concluded that the Russian request for credit for additional orders was totally unreasonable. "". . . If, however, [the Russian government] were to present such a demand to an inter-Allied council sitting in London it would be impossible for the other Allies to criticize it as unreasonable, seeing as they would be all putting forward demands of their own."" What Ambassador Reading did not attempt to address was the question of why America ought assume the British-guaranteed Russian obligations. The only real answer was one of capability. The Americans could afford such luxuries as supporting inefficient Allies, while British credit was almost exhausted.

Beyond financial issues, American belligerency permitted the somewhat furtive cooperation between the Russian Commission and British Secret Service to become open. The British Secret Service had a large and active presence in the United States prior to the war, primarily to protect munitions activities, but it had no official standing. With American belligerency, U.S. law enforcement agencies, previously wedded to neutrality, could participate with Allied agencies already working in the country to protect Allied interests. Thus, when the New York Tribune in October 1917 published a three-day series of articles attacking the Russian Supply Committee as slackers on security and

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22 Foreign Relations of the United States, 1918, Russia, vol. 3: The British Ambassador to the Secretary of State, August 3, 1917.
dupes of German agents, the redoubtable Medzikhovsky could reply with affidavits from both the U.S. and British Secret Services disputing the stories. The *Tribune* alleged that the S.S. BARON DRIESEN had been sabotaged while loading munitions at the Russian Pier in Brooklyn. The device had detonated while the vessel was in port in Archangel, destroying a number of other ships.\(^{23}\) The next day, under the headline “Germans Learned Russian Secrets at Orgies Here,” the *Tribune* described wild parties aboard Russian merchant vessels in Brooklyn where “strong drink and the wiles of women vied with each other in loosening the tongues of Russian munitions transportation officials.”\(^{24}\) Finally, the *Tribune* described a thriving trade in liquor smuggling aboard Russian merchant vessels.\(^{25}\) In May, Lieutenant Francis Kirby, representing the British Secret Service, had surveyed the conditions at the Russian munitions loading pier and found the protective measures in place “excellent.”\(^{26}\) In August the U.S. Secret Service had investigated a number of the charges that formed the basis for the *Tribune* articles. The investigator concluded that “most of the affidavit makers have either been discharged from Russian service or have been in some kind of trouble,” while the security firm against which the charges were made had “none but the best of reputations.”\(^{27}\) Faced with a public relations problem, Medzikhovsky found the logical answer in his tsarist experiences, providing both reports

\(^{23}\) *Tribune* (New York), October 16, 1917.

\(^{24}\) *Tribune* (New York), October 17, 1917.

\(^{25}\) Russia had ceased legal liquor production at the beginning of the war, and the illicit importation of spirits would likely have been extremely lucrative. *Tribune* (New York), October 18, 1917.

\(^{26}\) RG 261, Records of the Agent of Trade and Industry, Lieutenant Francis B. Kirby, R.A. to the Russian Transportation Committee, May 17, 1917.

to the Department of State along with a request that the Department require that a 
retraction be printed in the Tribune. More plausibly, and chillingly, Medzikovsky 
requested that the former employee primarily responsible for the charges “be interned for 
the duration of the war under the Enemy Trading Act for Action inimical to the United 
States or her Allies.”

THE BOLSHEVIK REVOLUTION

If British confidence in the Russian cause was eroding, American support received 
a boost in August with the report of the Root Mission to Russia. Lead by Republican 
Senator Elihu Root, the Mission concluded that, with regard to “the policy of giving 
substantial aid to Russia . . . both in supplies and in credits,

... with such aid there is a strong probability of keeping Russia in the war 
and the Russian Army in the field until a general peace can be made. . . 
there is little prospect that Russia can be kept in the war and the 
Russian Army in the field without such aid.

The October Revolution put an end to such discussions. As the news of the Bolshevik 
uprising reached the Allies, even the most sanguine observers of the Russian situation 
realized the end was at hand. Colonel House, Wilson’s trusted advisor, cabled that “in 
Great Britain the Russian situation is considered at the moment hopeless. There is no 
responsible government within sight. I would advise making no more advances at present 
or permitting any further contracts for purchases.”

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28RG 261, Records of the Agent of Trade and Industry, Medzikovsky to Department of State, 

29Foreign Relations of the United States, 1918, Russia, vol. 1: Report of the Special Diplomatic 
Mission to the Secretary of State, August, 1917.

30Foreign Relations of the United States, 1918, Russia, vol. 3: The Special Representative to the 
Secretary of State, November 24, 1917.
The British, jealous of their own finances, quickly went beyond ending further investment in the Russian war effort. A November 30, 1917, decision of the British War Council not only suspended military aid to Russia, but also directed that existing contracts be converted to Allied use. The British liaisons in America became entirely concerned with liquidating outstanding British-held contracts for Russia, and the Anglo-Russian Sub-Committee became a venue for Russian approval of British contract dispositions. At the December 24, 1917, meeting, the Sub-Committee authorized the liquidation of the outstanding Westinghouse contract, recommended offering a specialized storage plant for explosives for sale to the United States government, authorized General Electric to destroy seventy-five rejected shells still held from a contract and settled a $7.12 bill for freight on empty powder boxes.

On February 8, 1918, Ambassador Francis cabled Washington with the news that the:

Central Executive Soviet Committee has approved decree of Council of Commissaries canceling all state loans and all guarantees concluded by the previous government, stating explicitly, 'Absolutely and without exception all foreign loans are annulled.'

The diplomatic corps in Petrograd immediately issued a collective declaration declining to recognize Soviet authority to seize property or repudiate financial obligations. The

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32RG 261, Records of the Office of the Chairman, “Minutes of the Conference of the Anglo-Russian Sub-Committee of December 24, 1917.”

33Foreign Relations of the United States, 1918, Russia, vol. 3: Ambassador to Russia to the Secretary of State, February 8, 1918.

34Foreign Relations of the United States, 1918, Russia, vol. 3: Ambassador to Russia to the Secretary of State, February 12, 1918.
Finance Section of the Inter-Allied Council cited the 1831 Diplomatic Conference of London in its statement refusing to recognize the repudiation. Effectively, however, the Allies and the new Russian leadership were speaking different languages. As Francis wrote, the protests of the Petrograd Diplomatic Corps were answered by statements "charging capitalism waging imperialistic war on proletariat and calling on the workmen of world to unite in opposition."36

The Allies had been dealing with the military results of the Russian withdrawal from the war since the previous fall. In the face of Soviet intransigence, the Russian financial situation quickly became a question of damage control. By March, the U.S. State Department had requested Treasury provide an account of the current Russian financial obligations in the United States. Treasury primarily relied on information from Serge Ughet, the Russian Financial Attaché. In the resulting letter, the Treasury observed that:

the British Government, with the consent of the Anglo-Russian subcommittee, is disposing of all of the materials which were purchased through Morgan's with British funds and applying the proceeds in reduction of Russian obligations held by Great Britain. It would seem, therefore, that the British Government is looking after its interests very well in this respect. . . .37

While Treasury was correct about the British, it was also several months behind the times. The liquidation which the British had begun in December 1917 was virtually complete, and

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35Foreign Relations of the United States, 1918, Russia, vol. 3: Ambassador to Great Britain to the Secretary of State, February 14, 1918.

36Foreign Relations of the United States, 1918, Russia, vol. 3: Ambassador to Russia to the Secretary of State, February 14, 1918.

37Foreign Relations of the United States, 1918, Russia, vol. 3: The Assistant Secretary of the Treasury to the Councilor for the Department of State, March 5, 1918.
the Anglo-Russian Sub-Committee would hold its final meeting on March 15, 1918.38 On May 5, 1918, the Pekosnarm representatives, still settling outstanding locomotive orders, received a telegram from Petrograd stating that:

from February nineteen Committee is subject to Soviet Narodnava Khosiaistava Sievernovo Raiona [People's Economic Council, Northern District]. As military orders are finished Commission is herewith asked to store new locomotives, settle accounts with firms, return to Russia.39

The Russian Government Commission in London was dissolved on May 31, 1918, and its accounts were turned over to a Russian Liquidation Committee within the Commission Internationale de Ravitaillement. Some former members of the Russian Government Commission retained employment with the Liquidation Committee.40

The Americans seemed less anxious than the British to resolve finally the status of Russian funds in the United States. In part, the Americans were not as financially vulnerable as the British and could afford to let a large account go unused for a time. They also were not fatigued by several years of unfruitful dealings with Russian representatives. But perhaps most critically, the Russian representatives in the United States could still be valuable to American foreign policy.

The roots of American anti-communism and the Allied intervention in Russia are complex and beyond the scope of this study. A very real concern in the days prior to the landings of American and British forces on the Murman Coast, however, was the

38RG 261, Records of the Office of the Chairman, “Minutes of the Conference of the Anglo-Russian Sub-Committee of March 15, 1918.”

39RG 261, Pekosnarm to Kapoustine, Pekosnarm Representative in United States, Western Union Cablegram, May 5, 1918.

enormous quantity of military supplies that Russian transport had left stockpiled at Archangel and Murmansk. By February 1918, Archangel was in Bolshevik hands, and supplies were being removed.\textsuperscript{41} The most benign hope was that these supplies would be used to support Bolshevik operations. In the fluid politics of revolutionary Russia, the prospect of these supplies falling into German hands could not be discounted.

The initial Allied effort to deny war supplies to Germany ultimately expanded into an attempt to strangle the Bolshevik regime. The Russian representatives remaining in the United States had an interest in aiding the various White Armies, and the United States government both tolerated and encouraged their activities. The settlement of the British orders left the Russians still in possession of a number of contracts for military goods which could be routed to the anti-Bolshevik forces. An inventory of Russian Supply Commission assets from May 1, 1918, indicated that the committee still controlled \$167,825,425 in supplies. At the height of the effort, the Russians were even purchasing additional supplies from contracts that the United States after the Armistice no longer needed. At least two ships of the Russian Volunteer Fleet delivered American goods to Denikin’s forces in mid-1919, while at least four more shipments reached him between September and November 1919. All told, approximately \$77 million in Russian Supply Commission assets were transferred to the White cause.\textsuperscript{42}

With the American and British governments accounting for three years of large


\textsuperscript{42}George A. Brinkley, \textit{The Volunteer Army and Allied Intervention in South Russia, 1917-1920} (Notre Dame: University of Notre Dame Press, 1966), 373-74; Fogelsong, \textit{America’s Secret War Against Bolshevism}, 70-71.
scale spending, a former member of the Russian Supply Commission in America attempted an accounting of a different nature. In late 1918, Moisei I. Gaiduk published a volume whose title translated as *The Flatiron: Material and Facts about the Supply Activities of the Russia Military Commission in America*. While only employed by the Commission for a year, probably spanning 1917 and 1918, Gaiduk had worked in the Artillery Commission, the Anglo-Russian Sub-Committee and the Liquidation Commission. Written in his native Russian, the volume was published by Ivan K. Okuntsov, the editor of *Russkii Golos* ("The Russian Voice"), a New York City Russian language newspaper. Okuntsov was a socialist, arrested and sentenced to death for revolutionary activity in February 1906. Escaping to the United States, he founded *Russkii Golos* in October 1907. While other socialist immigrants accused him of softening his politics in the intervening years, Gaiduk’s book presented an opportunity to present the ineptitude and waste of the Tsarist and Provisional Governments through first hand testimony. Whatever the politics behind it, Gaiduk carefully buttressed his case by reproducing verbatim documents from the Commission; minutes of meetings, speeches, and personal correspondence. In a number of cases, the original documents are available through archival sources and confirm the fidelity of Gaiduk’s reproduction. He also recounts a number of anecdotes, distinguishing between those he was told during his employment and those he experienced. The result is a unique and valuable account.

Given the amount of assistance that the vestiges of the Russian supply effort were

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providing the White forces, the new regime had to take some kind of action. In spring, 1919, the Ambassador for the Provisional Government received a most unwelcome letter, imprinted:

Russian Socialist Federal Soviet Republic

Bureau of the Representative in the United States of America

On it, the new aspirant to replace Ambassador Bakhmeteff, Ludwig. A. Martens, officially presented his authority as the Soviet representative.

In behalf of the Russian Socialist Federal Soviet Republics and as the duly accredited representative of the said Government in the United States, I hereby command you to turn over to me immediately upon receipt hereof all property of the Russian Government in your possession or under your control, including the Embassy Building at Washington, D. C. . . . all property of the former Russian Railways Mission and Supplies Committee. . . .

As for Bakhmeteff himself:

. . . your post of Russian Ambassador to the United States became vacant and your rights and title . . . were legally terminated with the overthrow of the Government. . . .

On behalf of said Russian Socialist Federal Soviet Republic I claim that the said Government is the only existing Government in Russia, de jure and de facto; that the Government whom you alleged to represent in this country has absolutely gone out of existence on the 6th day of November, 1917; that there is not at this time even the barest pretense of its power or existence. . . .

The workers and peasants of Russia and their government have learned with deep indignation and just wrath that you, together with an array of idle former officials . . . representing nobody but yourself and a small clique of former exploiters of Russia, are using funds and property belonging to the Russian people . . . for purposes openly hostile to the Russian people.

. . . if you disregard this notice you will do so at your own peril.45

Martens had sent his diplomatic credentials to the Department of State on March

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18. Enclosed was a lengthy explanation of what the Soviet government viewed as its unique source of legitimacy and a proposal for renewed trade. Forwarding the news to the Secretary of State, then in Paris for the Versailles Conference, the Department commented on:

the ingeniousness of the proposal of the Bolshevik representative to deposit $200,000,000 in gold in the United States and Allied countries, when the government he represents has repudiated the enormous foreign debts of Russia, including $187,000,000 advanced by the United States. . . . 46

The Department also commented that Martens' presentation of credentials had been widely reported in the press, and offered a clear opportunity to declare publicly American policy towards "a regime whose Constitution . . . stipulates that among its fundamental tasks are the securing of the victory of Socialism in all countries, the abolition of private property, the repudiation of foreign obligations, and the complete elimination of whole classes from . . . Government." 47

Not content to wait for American reaction, Martens had sent his notice to the Embassy, and followed it with direct communications to private firms that were doing business with the Provisional Government. At the National City Bank of New York, a major financial broker for the Russian government, Martens presented his credentials and informed the bank that all Russian funds were now under the control of the Bolshevik

46Foreign Relations of the United States, 1919, Russia: Acting Secretary to the Commission to Negotiate Peace, March 25, 1919.

47Ibid. At the time the State Department was forwarding Martens' demands to the Secretary of State at the Paris Peace Conference, the recognized Ambassador, Professor Bakhmeteff, was himself at the Conference. Bakhmeteff had received American permission to expend the $100,000 to send himself and a Russian delegation and was well received as he solicited support for the White cause. Fogelsong, America's Secret War Against Bolshevism, 68-69.
The Coudert Brothers, attorneys for various Russian supply interests, received a letter from Martens claiming title to any Russian property under their control. The Soviet representative attached a copy of his letter to Bakhmeteff, and warned that "Any disposition which you may make . . . of the said property pending an authoritative adjudication [sic] will be made upon your own responsibility."49

Taking the direct approach, the law firm addressed the question to the Department of State. The reply was dated a mere five days later. The Acting Secretary indicated that:

In a recent telegram . . . [the Secretary of State] states that the only Russian representative recognized by the United States is Mr. Bakhmeteff, and adds in effect that the claims to a representative capacity put forth by Mr. L. A. Martens are not to be given credence. I may add that the Government of the United States has not received nor recognized Mr. Martens in any representative capacity . . . and moreover that the Department has received no authentic evidence that Mr. Martens is even the representative in the United States of the so-call "Russian Socialist Federal Soviet Republics." As you are no doubt aware, this Government has never recognized the Bolshevik regime as a Government either de facto or de jure.50

The National City Bank received a similar reply from the Department, and hastened to seek assurances that "any recognition of the present Soviet Administration . . . [would] apply only to future relations and transactions . . . to avoid the possibility that the recognition may have a retroactive effect."51 The Acting Secretary replied that, while "there is no question" of recognition of Soviet authority, "any recognition hereafter

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48Foreign Relations of the United States, 1919, Russia: Acting Secretary to the Commission to Negotiate Peace, April 15, 1919.

49RG 261, Records of the Agent of Trade and Industry, Marten to Coudert Brothers, April 14, 1919.

50RG 261, Records of the Agent of Trade and Industry, Frank L. Polk, Acting Secretary of State, to Coudert Brothers, April 19, 1919.

51Foreign Relations of the United States, 1919, Russia: Mr. J. H. Fulton of the National City Bank of New York to the Acting Secretary of State, April 20, 1919.
accorded will not have any retroactive effect... prejudicial to American interests."[52]

National City could continue as Russian's bankers without fear of later liability.

Perhaps the crowning irony in the Martens affair came later in June, as the United States government began efforts to intern the Soviet representative as an undesirable alien. According to the senior State Department analyst for Russian Affairs, Martens had been born in Russia of German parents, and had long ties to Russian radical groups. After the 1905 Revolution, he fled to Britain, where he worked as an engineer. "He came to the U.S. in 1916 as a representative of the Demidoffs - big munitions makers in Russia."[53]

On April 28, 1922, Bakhmeteff informed the Secretary of State that, for personal reasons, he would soon be departing the United States. As "my status as Ambassador has been made the subject of renewed discussion," he offered to "terminate... official functions."[54] In reply, Secretary Hughes observed that:

\[
\text{inasmuch as the liquidation and final settlement of the business of the Russian Government in the United States for which you were responsible is now practically completed... your continuance as Ambassador under the existing circumstances may give rise to misunderstanding.}^55
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Bakhmeteff's status as the Russian Ambassador to the United States, and the last vestige of the Russian Supply Commission expired on June 30, 1922.

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[53]Foreign Relations of the United States, 1919, Russia: Memorandum by Mr. Basil Miles, in Charge of Russian Affairs, Division of Near Eastern Affairs, Department of State, June 24, 1919.


While the question of where the Russian assets in the United States and Britain went after the war remains open, it is clear that no real part of them wound up in the hands of General Hermonious. After the war, the General settled in Paris as part of the distinguished but financially destitute Russian émigré community. In 1922, Hermonious wrote Stettinius soliciting a $5,000 investment to establish a business producing knit clothes using automatic knitting machines. Hermonious had been one of the few Russian officials for whom the Morgan partner felt any respect, and Hermonious received his money. In early 1923, Stettinius wrote one of the Morgan representatives in Paris:

There is something very pitiful about the old man’s [Hermonious’] letter and I am afraid that he is in pretty bad shape. If he calls on you, please give him the benefit of any advice that you think may be helpful. Incidentally, do not hesitate to give him for my account any reasonable amount you may find he requires. I should doubt the wisdom of giving him any large amounts, say up to $1,000, and imagine it would be better to dole out say, up to this amount in small sums.

After the war, as during, the Allies still felt Russia was a charity case.

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56Forbes, Stettinius, Sr., 196-97.
CHAPTER VIII

CONCLUSION

Within the nation-state system, the first imperative for state legitimacy is the ability to hold and defend territory. To that end states dedicate treasure, personnel and at least a modicum of professional competence to their military organs. In struggles for national survival, the industrial warfare that has marked the twentieth century has demanded the complete resources of the nations involved. In Imperial Russia, both the government and civil society failed the test represented by the First World War.

As the bureaucracy moved to meet Russian supply requirements, the autocratic nature of authority in Russia and the resulting ministerial fragmentation handicapped its efforts. With power invested entirely in the person of the Tsar, the state bureaucracy could never be permitted a position, whether held by a ministry, council or a single individual, entrusted with real executive authority. Thus it was that the extent of the Russian supply problem was poorly understood in government circles—no single organ had the responsibility to assess supply requirements, much less coordinate their fulfillment. The conflicting Russian assessments of their own supply needs which confused and frustrated the Allies were as much a result of this institutional failing as any effort to deceive. One effect of this system was that the British government probably developed a better overall understanding of the Russian supply system than the individual Russian ministries. British representatives could gather information from across agencies, inside and outside of Russia, to assemble a comprehensive picture of the problem.

When the bureaucracy did address supply problems, the ministerial system allowed no mechanism to allocate resources in a rational, prioritized manner. Russian purchasing
was restricted by the limited capital available, be it from Russian foreign exchange or Allied loans; by the number of foreign manufacturers able to produce munitions and specialized goods; and by the simple mathematics of merchant shipping tonnage and rail capacity. In 1914, the new and unfamiliar nature of large overseas orders probably caused these factors to be overlooked; by 1916, they were simply being ignored. The Ministry of Commerce worked diligently through 1916 and 1917 to purchase railroad equipment that the Finance Ministry could ill afford and that probably could not be shipped to Russia, much less to the Russian interior. The ability of the British government to approach the Stavka directly in 1915 became the genesis of the special supply relationship between Grand Duke Nicholas and Lord Kitchener. The same disorder that permitted this effort, however, made considered agreements between the Allies only imperfectly binding on the Russian bureaucracy. Even given a perfect system, Russian supply would have presented difficult choices and daunting challenges. Yet trapped by institutional attitudes poorly fitted to the task, the Russian bureaucracy exacerbated the already difficult situation.

The implementation of the Special Councils in 1915 failed to rectify this problem. The government never truly intended these organs to become a means of inter-ministry coordination. Rather, in the eyes of the government, the Special Councils were a means of pacifying the liberal elements in the Duma after the shell crisis. Meetings with the opposition, however loyal, could not be an effective venue for coordination between ministries. No minister would entertain airing specific grievances in such a forum.

The failure of the autocratic Tsarist government to organize becomes more ironic when contrasted with the measures taken by the other, largely democratic, belligerents. Both Britain and France created Munitions Ministries with sweeping powers over the
economy. Imperial Germany attempted to militarize in their entirety key supply sectors of the economy. Even the traditionally non-interventionist United States created a War Industries Board which created standards for production and nationalized the rail system.

As an organizing force in Russian military supply, the major non-governmental organizations also failed. Their reception overseas makes it clear that the liberals who made up the leadership of the zemstvo movement and the industrialists who led the War-Industries Committees were politically more attune to the Allies than their government counterparts. It does not follow that they were institutionally or individually better equipped to deal with wartime orders abroad. The difficulties created by Russian management in the American Locomotive Company orders closely mirror those encountered by governmental orders.

The continuance of these difficulties after the installation of the Provisional Government largely belies the assertion that the failure of civil society in foreign purchasing was a result of Tsarist government policies. Further, the non-governmental organizations working abroad enjoyed considerable freedom, even after the government sought to restrict their efforts as the war progressed.

Ironically, the sincere distrust civil society held toward the government and political opportunism combined to obstruct some government moves towards increased supply effectiveness. Immediately after the industrial congress had authorized the Central Committee, the Moscow Zemstvo passed a resolution in favor of complete state control of industry. The opinion was echoed by other district zemstvos. In response, Utro Russii (Russian Morning), a pro-industrial newspaper, commented:

The zemstvos have attempted to deliver public initiative into the hands of
those very elements whose inability to deal with the great problem of national defense has been proved. It is this incompetence that has caused the present unanimous desire of all the productive forces of Russia to come to the aid of our heroic armies.¹

Within the voluntary associations, the leadership was acutely aware of the government’s failing and their own importance to the continuation of the war and the regime. Prince Lvov, in a March 1916 speech to an assembly of zemstvo delegates stated:

The Fatherland is in danger . . . . The Regime is not guiding the ship of state . . . [nevertheless] the ship is holding steadily to its course, and work aboard has not stopped. The ship’s crew is preserving order and self-control. We shall not stop, and we shall not fall into confusion.²

But for all Lvov’s optimism, no voluntary society was a sufficient replacement for an active and effective government. With the terrible demands of war weighing on every aspect of the society, where the Imperial government would not offer the guidance the Russian ship of state needed, civil society could not. Standing before the Duma on November 1, 1916, Miliukov asked his fellow delegates:

when the Duma with ever greater persistence insists that the rear must be organized for a successful struggle, which the government persists in claiming that organizing the country means organizing a revolution and deliberately prefers chaos and disorganization, then what is this: stupidity or treason?³

At that instant, the answer hardly mattered. Rather, he said Russians should:

forget further attempts to harmonize your work jointly with the present authorities; they are doomed to failure, they only separate

¹ Zagorsky, State Control of Industry, 88.

² Report of the Central Committee of the All-Russian Union of Zemstvos, nos. 35-36, 25-6; quoted in Fallows, 82.

us from our goal. Do not succumb to illusions; turn away from phantoms! There is no authority!\textsuperscript{4}

Standing in the Tauride Palace that day, what Miliukov could not see from his proximity was that Russia would follow his injunction and abandon the “present authorities.” What he did not see was that the failure of authority included himself, the Duma and the new national organizations. In their place, the people would install their own representatives.

\textsuperscript{4}Miliukov, \textit{Political Memoirs}, 378.
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