

TOLSTOI AND THE GRAND DUKE NICHOLAS

A Revealing Correspondence

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[Grand Duke Nicholas Mikhailovich, who was shot, together with Grand Duke Paul, by the Bolsheviki in the fortress of St. Peter and St. Paul, is known to the world of letters as an historian. He edited the correspondence of Alexander I., and published a remarkable study of Feodor Kuzmich, the famous double of Alexander I., who died in Siberia, and whom many still believe to have been the real Emperor.

Grand Duke Nicholas Mikhailovich met Tolstoi in 1901 in the Crimea, where the latter was visiting the Countess Panin and recovering from an illness. The Soviet Government has discovered in its archives the journal that Grand Duke Nicholas Mikhailovich kept at this time, in which he describes his encounter with the illustrious writer.]

Tolstoi's Plea and Warning

5th April, 1902.

DEAR NICHOLAS MIKHAILOVICH,—

I wanted to write you as soon as I received your telegram, but I have been so sick for the last two months that I have not been able to sit up and take a pen in hand. Nevertheless, I did want to write and thank you cordially for everything you have done. I am particularly grateful to you for having carried out my request although it probably inconvenienced you to deliver my letter to the Tsar. You probably read it, as I asked you to, and it could not have accorded with your own opinions. If I am mistaken, I should be very happy, and would beg you to pardon this assumption.

I hoped that you would recognize my opinions as the result of long and serious thinking that led me to conclude that autocracy could only be saved from complete collapse by having the Government strive for the highest goals towards which humanity aspires, and by leading its people in that direction. One of the goals towards which the Russian people have always, in my opinion, aspired is the freedom of the soil and the right to hold individual property. Much has been written on this subject, but it has received really masterly treatment by Henry George in his great work *Progress and Poverty*, and in a more succinct book, *Social Problems*. To my mind, it is just as necessary to solve this question now as it was necessary to emancipate the serfs during the first half of the last century. Nevertheless, in our day not only is the solution of this question neglected, but the problem itself cannot even be stated. The great landowners in Europe and America who compose the governing caste are trying to stifle it and not allow it to reach government circles. Yet in Russia alone can it be solved, for here we have autocratic power, and it is in Russia that its solution is particularly necessary and important, since the majority of the Russian people live on agricultural work, and their chief grievance is the lack of soil at their disposal and its unjust apportionment. Henry George's project, called the single-tax system, which you probably know, is simple and practical. It consists of having all land valued by the rent that it brings and having this rent paid to the government by whoever occupies the land. This rent then composes the entire State revenue, and takes the place of all other taxes. I can readily imagine an imperial order abolishing landed property and confiding to

different committees the task of assessing its value in various provinces.

And what a great benefit the Russian Emperor would be conferring, not only on his people, but upon the entire universe. How completely it would protect him from Socialist and revolutionary plots. What a strong position he would occupy, backed by thousands of his people and by the popular masses, who would receive from his hands the realization of their most cherished and legitimate desire—the right of every man to nourish himself by working the soil that God has given, not to a few, but to all human beings without exception.

Such are my ideas, but I admit I may be mistaken and that humanity may aspire to other goals that the Government should endeavour to attain. Although this is possible, it is not possible for a government to continue, as ours is now, maintaining something that no longer corresponds to real life, and refusing to show its people the way to attain real happiness. Such a government cannot long exist.

Adieu! With all my heart I wish you all possible happiness, principally in your spiritual life.

Affectionately,

L. TOLSTOI.

The Inexorable Reply

Letter from Grand Duke Nicholas Mikhailovich to Tolstoi dated Tiflis, 15th April, 1902.

MY VERY DEAR LEV NIKOLAEVICH,—

Your letter, which I received yesterday, I enjoyed enormously—in the first place because I see that you are so far recovered that you can write, and in the second place because I had been waiting for a long time for news of you, and it arrived on Easter Day.

Arriving at Petersburg on the twenty-second of January, I received your missive the next day. I read it, and had a copy made to keep. I then found the person for whom it was destined, and delivered it. When I asked if I could put this letter in the Emperor's hands, people told me "Certainly," and three days later, after a family dinner, I gave it to him, saying as I did so: "I beg of you, out of respect to Lev Nikolae- vich, not to give this letter to any of your ministers. I am asking you that as a personal favour."

The Emperor promised not to show it to anybody, and told me that he would read it with interest. Since then I have had no opportunity to discuss it with him again. The fact that the Emperor let me give him this letter, and his friendly attitude ever since, lead me to believe that he is well disposed. Our Emperor is a very good man, a benevolent man. All the harm comes from his entourage. If I went so far as to beg him not to show this letter to his ministers, I only did it out of respect to you, and because I should not care to have the ministers abusing you before the Emperor. I hope that you will approve.

As for the means proposed in your letter of 5th April for saving autocracy and improving the sad situation in which our country finds itself, please don't be hurt if I say that you are too great an idealist. You believe that we can do something in Russia that people do not even speak of in Europe or America. Every peasant is devoted to his little domain, and, if I understand you correctly, you would nationalize all the land, whose revenue would return to the State, or, in other words, to the Treasury. I think that even if this method received the consent of the owning classes—that is to say, the proprietors of every kind—it would encounter the most violent opposition from the peasants. Further-

more, to realize this grandiose idea we should need a formidable emperor like Peter the Great, as well as collaborators of a very different type from those who surround Nicholas II. We should have to reform and revivify institutions whose supremacy runs back through the centuries, such as the State Council, the directing senatorial body, and all the ministries.

My conclusion, therefore, is that your idea is as far-reaching and sympathetic as it is impractical. Clearly, we are living in a terrible period that demands immediate practical reforms; but where to begin? "That is the question." We are vexed with the question of public instruction and the teaching personnel, with the labour problem, the incompetent bureaucracy, the general passion for profit, excessive militarism, depraved morals, and so on, and in the face of all these you propose raising the agrarian question again. You run the danger of being the only soldier on the field, because even those who share your ideas will hesitate when it becomes necessary to pass from theory into practice. Our society seems to me so thoroughly rotten that convalescence is only possible by a united and gradual effort on the part of the different government departments.

To my mind, the autocracy can only be saved if its responsibilities toward a people of one hundred and thirty millions are limited and if the number of ministries is increased. One explanation for our evil condition is that it is extremely old. In the course of the nineteenth century life and the exigencies of life marched forward, but our institutions scarcely budged. Only when all of them have been reformed shall we be able to think of the complicated question you raise, and then perhaps men will be found who are capable of realizing this magnificent idea.

Yours affectionately,

NICHOLAS MIKHAILOVICH.

COAL ROYALTIES AND LOCAL RATES

Commodore King, in reply to Mr W. M. Watson in the House of Commons on 8th May, stated that in the six months ended March, 1928, the coal mines in Scotland had paid £108,000 in local taxation or 1.46d. per ton of saleable output, whereas in the same period the royalties to landowners had been £453,000 or 6.13d. per ton.

On 7th May, Commodore King informed Mr Cape that in the six months ended March, 1928, the local taxation on coal mines was £16,800 or 3.22d. per ton. In the same period the royalties were £45,000 or 8.60d. per ton.

On 2nd May, Commodore King provided a return as to local rates and royalties in the principal colliery districts and in Great Britain during the six months ended 31st December, 1927, except that the figures for South Wales and Monmouth related to the six months ended 31st January, 1928.

This showed that the local taxation amounted to £1,448,000 or 2.8d. per ton of saleable coal raised, while the royalties amounted to £2,966,900 or 5.74d. per ton.

The figures for South Wales and Monmouth were £346,800 in local rates or 4.31d. per ton and £771,600 in royalties to landowners or 8.43d. per ton.

The Government's scheme of subsidizing the coal mines with grants-in-aid of rates collected from transport and consumers by the protective tariff on imported petrol, will assuredly "safeguard" the tribute levied by landowners. It is easy to see where the real relief to the coal industry is to be found and who should pay.

The "Land & Liberty" Sustention Fund invites your support.

MR SNOWDEN ON THE LAW OF RENT

(From a contributed article in the "Daily Herald" 14th May)

May I give a simple illustration to show how the law of economic rent operates? Take two plots of land of equal area, but of very different fertility owing to natural situation. The same amount of labour employed on the two plots will give very different results in the return. The difference is economic rent, and it is this which the landowner exacts from the user as rent.

Rates have to be paid before there is any net return to the user of the land. The amount of rent he can pay is determined by the charges he has to meet before there is a net return for his labour. Land cannot be increased in area, and this gives it a monopoly value.

When a would-be tenant is considering if he will take a farm he calculates the charges he will have to meet, and rates are an important consideration. If they are low, or non-existent, as they will be under Mr Churchill's plan, this aspiring husbandman takes the fact into account, and he can afford to pay a correspondingly higher rent charge.

INTO LANDLORDS' POCKETS

This is the ground for the absolutely sound contention that rate relief must sooner or later lead to an increase of rents—or, in other words, that the Exchequer contribution from taxation to the relief of local rates on land must eventually find its way into the pockets of the landowners. This truth was admitted when it was enacted in the Corn Production Act that the landlords should be legally prohibited from raising rents during its operation.

Under Mr Churchill's plan, all land and buildings used for agricultural purposes are to be wholly exempt from rates. No contribution whatever is to be made by this industry for the benefit it derives from the provision of roads, markets, and other services, without which the land would be valueless. Other ratepayers and taxpayers have to bear these charges for a benefit to agriculture which is reaped by the landowners.

But one of the gravest scandals in connection with this derating of land is the fact that vast areas of land, now in agricultural holdings, have a high and rapidly increasing value for building purposes. This land is now to be freed entirely from rates. It will pay the owner to hold it back until he can get a higher price.

ROBBERY OF THE PUBLIC

Local municipal expenditure, provided by the other ratepayers, is adding to the value of this land, and, when it comes into the market, the owner will pocket the whole of the unearned increment. The future users of this land for residential purposes will be burdened for all time under this system with the tribute the landowners have levied on them.

Mr Churchill, by his proposal to relieve this land of all rates, is adding to the injustice which he, as much as any man, has denounced as a system of robbery of the public.

The true lines of rating reform lie in two directions—to adjust the contributions fairly between the National Exchequer and the localities, and to assess the local rates upon economic rent.

The latter reform, which is advantageously in operation in many other countries, will relieve productive industry and transfer the maintenance of local services to a social product. Economic rent is not the creation of individual but of collective effort, and, being such, it is justly the property of the community and should be used to finance common services.