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RUSSIAN POLITARISM AS THE MAIN REASON FOR THE SELLING OF ALASKA¹

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There are a number of specialized studies and articles by Soviet/Russian and American researchers dedicated to the selling of Russia's American colonies (now Alaska, the forty-ninth state of the United States).² The topic has also been touched on in a number of major historical works, including general research into the history of Alaska, the history of Russian-American relations in the nineteenth century, and the activities of the Russian American Company (RAC), which governed Russia's American holdings from 1799 to 1867.³

The present article provides an overview of the content of official documents and the arguments of leading experts on the subject as well as my own conclusions about the reasons that led Russia to abandon its American overseas territories in 1867. The following table summarizes all of the main arguments put forth as the main reasons underlying the decision to sell Russian America.

¹ This topic is also addressed in my "Why Russia Sold Alaska: The View from Russia," *Alaska History* 1-2 (2004), pp. 1-22. See also the discussion between Dr. Ilya Vinkovetsky and me in *Acta Slavica Iaponica* 23 (2006), pp. 171-218.

² S. B. Okun', "K istorii prodazhi russkikh kolonii v Amerike," *Istoricheskie zapiski* 2 (1938), pp. 209-239; M. I. Belov, "K stoletiiu prodazhi Aliaski," *Izvestiia Vsesoiuznogo Geograf. obshchestva* 99:4:1 (1967), pp. 132-141; N. N. Bolkhovitinov, "Kak prodali Aliasku," *Mezhdunarodnaia zhizn'* 7 (1988), pp. 120-131; Idem, "Eshche raz o prodazhe Aliaski," *SShA: ekonomika, politika, ideologiya* 10 (1998), pp. 94-102; Frank A. Golder, "The Purchase of Alaska," *American Historical Review* 25:3 (1920), pp. 3, 10-25; Ronald J. Jensen, *The Alaska Purchase and Russian-American Relations*. (Seattle, 1975); James R. Gibson, "The Sale of Russian America to the United States," *Acta Slavica Iaponica* 1 (1983), pp. 15-37, and others.

³ See S. B. Okun', *Rossiisko-Amerikanskaia kompaniia* (Moscow, Leningrad, 1939), pp. 219-258; N. N. Bolkhovitinov, *Russko-amerikanskii otnosheniia i prodazha Aliaski. 1834-1867* (Moscow, 1990), pp. 89-341; Benjamin P. Thomas, *Russo-American Relations 1815-1867* (New York, 1970 [c1930]), pp. 143-166; Lydia T. Black, *Russians in Alaska 1732-1867* (Fairbanks, 2004), pp. 273-287.

Table

1	The geographic distance of the colonies and the difficulties supplying the colony from the metropolitan center.
2	Unsuitable climactic conditions made it impossible to develop agriculture on a large scale in order to supply the population of Russian America.
3	The discovery of gold in Alaska and nearby regions provoked an influx of foreign prospectors, weakening Russia's control over the colonies.
4	Native resistance to Russian colonization.
5	The extreme paucity of the permanent Russian population in Alaska supposedly caused by the continuation of serfdom in the metropolitan center.
6	The poor management of the RAC and specifically the company's efforts to avoid the establishment of a large contingent of permanent Russian settlers in Alaska.
7	The difficult economic position of the Russian American Company, which demanded constant state subsidies during the final period of its existence.
8	Acute state budget shortages in the metropolitan center that required that additional financial resources be found.
9	The expansion of American and English economic and trade interests in Russia's territorial waters and lands in America (whalers, smugglers, and others).
10	The threat of mass settlement by American religious minorities and other would-be settlers in Alaska, and the territory's potential to breakaway from Russian control as a result of this "creeping" American colonization.
11	Military threats to the Russian colonies from other foreign powers (i.e. the United Kingdom, the USA) and Russia's weak military position following the Crimean War.
12	The desire to draw nearer to the United States in an attempt to counterbalance the British and in the desire of strengthening tensions between the two countries.
13	The fact that most Russian colonization was redirected to the Far East and Sakhalin at this time as well as coinciding with the beginning of the conquest of Central Asia.
14	The overseas character of Russia's colonies in America stood in contrast to Russia's more traditional "continental" colonization of Siberia.
15	The general socio-economic backwardness of Russia, which was not able to compete with the leading capitalist powers in the north Pacific.
16	Subjective factors underlying the positions of a number of key figures in the Russian government, who had their own reasons for wanting to be rid of Russia's overseas possessions.

PROBLEMS OF HISTORIOGRAPHY

This chapter will begin the discussion at the top of the table and work its way down. It seems obvious that geographical factors, such as Alaska's remoteness and its unsuitable climate, did not play any essential role in its sale to the United States. After all, Alaska's remoteness did not prevent the Russians from being the first Europeans to reach its coasts and inclement climactic conditions did not stop the settling of the Russian North. For example, Yakutia's far more inhospitable climate did not stop Russian pioneers from colonizing the territory in the seventeenth and eighteenth centuries. Finally, concerns about Alaska's remoteness and climate were never mentioned in official documentation as a reason directly connected with the decision to sell.⁴

Another natural factor, the presence of gold in Alaska, is often invoked by researchers as a major reason why the Tsar's government decided to give up its overseas territories, supposedly fearing a massive influx of foreign prospectors.⁵ Although this argument often appears in the historical literature on the subject, further research has proven that this fear was not actually taken into consideration during the sale.⁶ First, precious few gold deposits were discovered in Alaska during its time as a Russian colony and, second, there is no mention in Russian official documents of this as a reason for the colony's sale.

Similarly, official documents do not mention resistance to Russian colonization by Alaska's native population as a reason for sale, though this problem was broadly covered in materials produced by the governmental Committee for the Organization of Russia's American Colonies (*Komitet ob ustroistvoe russkikh amerikanskikh kolonii*) in 1863.⁷ The "Indian"

⁴ See the following published documents: David H. Miller, *The Alaska Treaty* (Kingston: Ontario, 1981), pp. 59-62; Bolkhovitinov, *Russko-amerikanskii otnosheniia*, pp. 328-331.

⁵ Okun', *Rossiisko-Amerikanskaia kompaniia*, pp. 230-233; Bolkhovitinov, *Russko-amerikanskii otnosheniia*, p. 201; E. V. Alekseeva, *Russkaia Amerika. Amerikanskaia Rossiia?* (Ekaterinburg, 1998), p. 137; Anatole G. Mazour, "The Prelude to Russia's Departure from America," Morgan B. Sherwood, ed., *Alaska and Its History* (Seattle, London, 1967), p. 167.

⁶ Andrei V. Grinev, "Zoloto Russkoi Ameriki: nesostoiavshisya Klondaik," *Amerikanski ezhegodnik* 2001 (Moscow, 2003), pp. 138-162.

⁷ *Doklad Komiteta ob ustroistvoe russkikh amerikanskikh kolonii* (St. Petersburg, 1863), Part 1, pp. 156, 176, 242, 245.

factor has been almost completely ignored in the academic literature on the issue. Native resistance to Russian colonization was mentioned as an indirect reason for Russia's abandoning of its New World colonies in the works of N. N. Bolkhovitinov, the eminent specialist on the subject. In my opinion, Bolkhovitinov's statement is in need of further refinement. Only the militarily-minded Tlingit and Haida (Kaigani) tribes presented any real danger to Russians settling in Alaska's southeast. Therefore, although the "Indian" factor should be taken into account, it certainly did not play a decisive role in Russia's decision, especially as the threat from the natives was consciously exaggerated in RAC documents as well as in the publications of its opponents.

The next reason listed for the selling of Alaska is, in keeping with the opinion of some historians, the extremely few Russians – just a few hundred altogether – who settled in Alaska.⁸ It must be noted that this factor is judged very differently by different researchers. On the one hand, it is sometimes completely ignored. On the other hand, a number of authors consider the "demographic factor" to be very essential and even a decisive reason for the Russian position on Alaska. Moreover, researchers often point to the continuation of serfdom in Russia as the main obstacle preventing the mass peasant colonization of the area.⁹ However, they forget that even if there had been no serfdom, the peasant colonization of Alaska would have been highly unlikely because the lands were for the most part unfit climactically for agriculture. Furthermore, it should not be forgotten that Alaska was sold a few years *after* the abolition of serfdom and that Russian peasants had therefore been at least theoretically given time to show an inclination to moving to the New World. Moreover, even before it was abolished, peasants living in the Russian North were not subject to serfdom and were nominally free to settle in Alaska. That they did not do so is because of the policy pursued by the tsarist government and because the RAC limited possibilities to settle in Alaska, not wishing to bear the additional costs

⁸ S. G. Fedorova, *Russkoe naselenie Aliaski i Kalifornii. Konets XVIII veka – 1867 g.* (Moscow, 1971), pp. 136-147.

⁹ Okun', *Rossiisko-Amerikanskaia kompaniia*, pp. 162-163; G. A. Agranat, *Zarubezhnyi Sever. Ocherki prirody, istorii, naseleniia i ekonomiki raionov* (Moscow, 1957), pp. 25, 30; Belov, "K stoletiiu," p. 239; A. I. Alekseev, *Osvoenie russkimi liud'mi Dal'nego Vostoka i Russkoi Ameriki do konsta XIX veka* (Moscow, 1982), pp. 128, *passim*.

associated with increasing the number of Russian immigrants.¹⁰ In the mind of the company's management, the appearance of a large number of colonists had the potential of negatively affecting the fur industry, the basis of company's wealth. The RAC's self-serving motives and ill-advised government policies thus impacted the fate of the colonies in a very negative way.

The company's weak management, as evident in the company's excessive bureaucracy and needless administration, lack of enterprise, and inability to understand the necessity to change the company's activities in accordance with the capitalistic spirit of the times and the realities of post-reform Russia, indirectly contributed to this as well.¹¹ Weak management to some extent (although not to a decisive degree) provoked the escalation of financial crises that plagued the RAC throughout the 1860s. The company's dire economic situation strengthened the opinion among tsarist officials that both the company and the colonies it managed brought precious few benefits to the state. The company was reduced to this difficult position due to overly slow capital turnover, the shrinking of the traditional Chinese market, and the decrease in governmental assistance from the beginning of the 1860s on, a situation reflected in life in the colonies.

Another economic factor – the state budget deficit, which mushroomed due to expenses incurred during the Crimean War – launched the Russian government on a feverish attempt to secure new loans and cut official expenses. This is sometimes cited in official document as well as in some historical studies on the subject as a reason driving the sale. However, the consensus of most researchers is that the 11.5 million rubles in silver (7.2 million US dollars) raised from the sale of Alaska did not play a decisive role in determining the colony's fate because this amount was so insignificant compared to the overall state budget that it simply vanished into the background of the total budget expenses of the empire.¹²

¹⁰ Fedorova, *Russkoe naselenie*, pp. 137-145.

¹¹ For more on this point, see: Andrei V. Grinev, "The Dynamics of the Administrative Elite of the Russian American Company," *Alaska History* 17:1-2 (2002), pp. 1-22.

¹² R. V. Makarova, "K istorii likvidatsii Rossiisko-Amerikanskoi kompanii," *Problemy istorii i etnografii Ameriki* (Moscow, 1979), p. 270; Bolkhovitinov, *Russko-amerikanskie otnosheniia*, p. 200; Thomas A. Bailey, *America Faces Russia. Russian American Relations from Early Times to Our Day* (Ithaca, New York, 1950), p. 101.

Concerns about the expansion of the economic and trade interests of foreign smugglers, whalers, and gold prospectors who rushed to the shores and territories of Russia's American colonies between the 1840s and 1860s serve as a kind of "bridge" between economically based and politically based arguments about why Russia sold Alaska. Trade in weapons, alcohol, and other goods, which were exchanged with the independent native populations in the region for valuable furs, and the uncontrollable hunting of whales and other marine animals disrupted the activities of the RAC and led to a decline in its revenues.¹³

This factor is supposedly also tied to the "creeping" British and American colonization. In this case, the threat did not come from the short-term stay of foreign nationals on the Russia's American territories, but from their permanent settlement, which created the threat that these colonies would be wrested away from Russian control by the settlers. In fact, English smugglers and gold prospectors settled in the extreme far south of Russian America in the 1860s. Similarly, agents of the British Hudson Bay Company had already settled in the Yukon valley (also on Russian territory) in 1847, founding their trading post at Fort Yukon.¹⁴ "Creeping" foreign colonization was a reality that had to be faced, but it was not so large-scale as to be truly significant. In the 1860s, foreign colonization was more of a potential threat facing the future of Russia's colonies in North America than a contemporary reality.

The RAC should have, in theory, taken measures to fight the illegal penetration of foreigners into Russia's territories in North America, but it simply could not cope with this task. First, the company did not have the authority and resources to resolve this problem through the use of force. Second, the tsarist government blocked any such action by signing conventions with the United States and the United Kingdom between 1824 and 1825 that promised to seek diplomatic solutions to any conflicts that arose over the settlement of each other's nationals. Third, the Tsar's

¹³ A. A. Narochitskii, *Kolonial'naia politika kapitalisticheskikh derzhav na Dal'nem Vostoke: 1860 – 1895* (Moscow, 1956), pp. 164–167, 178. See also T. M. Batueva, *Ekspansiiia SShA na Severe Tikhogo okeana v seredine XIX v. i prodazha Aliaski v 1867 g.* (Tomsk, 1976); Howard I. Kushner, *Conflict on the Northwest Coast. American-Russian Rivalry in the Pacific Northwest, 1790 – 1867* (Westport, 1975).

¹⁴ John S. Galbraith, *The Hudson's Bay Company as an Imperial Factor, 1821 – 1869* (Berkeley, Los Angeles, 1957), pp. 159–160.

cabinet did not want to further strain relations with Britain, the world's dominant naval power, nor did they want to disrupt Russia's friendly relations with the United States in order to further the interests of the RAC and its weak colonies in Alaska.

In the view of the tsarist government as well as many historians, one of the paramount reasons for Russia's abandonment of its American colonies was Russia's military weakness in the Pacific Ocean and its inability to protect its colonies in case of a military conflict—a deficiency made all too clear during the Crimean War. In fact, Russia's American colonies only managed to escape invasion by a joint British-French naval squadron during the Crimean War thanks to separate neutrality agreement signed between the RAC and the British Hudson Bay Company. In any case, the belief that Russia's American colonies were defenseless was widely circulated in governmental circles, mostly at the instigation of Great Prince Constantine Nikolaevich, head of the Naval Ministry. This opinion was also wholeheartedly shared by the minister of finance, M. Ch. Reiter, and the minister of foreign affairs, Prince A. M. Gorchakov.¹⁵

Evidence of this opinion, as reflected in official documents, led the leading specialist on the Russian sale of Alaska, N. N. Bolkhovitinov, to the conclusion that external threats were perhaps even the most significant factor influencing the decision to sell Alaska. True, this leading researcher then comes to a contradictory conclusion: "Nevertheless, even this danger does not seem to be decisive. The fact is that external threats to these Russian territories existed over many years. The threat was especially acute from England and the USA during the years of the Crimean War, both of whose positions in the Pacific North were being continuously strengthened. At the same time, it was exactly in the 1860s that this threat weakened to some extent."¹⁶

In my opinion, there does not seem actually to have been a constant threat facing Russia's American colonies. The danger of foreign intervention existed only during a few, short periods of time that coincided with military conflicts between Russia and other European powers,

¹⁵ *Prilozheniia k Dokladu komiteta ob ustroistve russkikh amerikanskikh kolonii* (St. Petersburg, 1863), pp. 20-27, 68-70, 329-342; Miller, *The Alaska Treaty*, p. 60; Bolkhovitinov, *Rusko-amerikanskie otnosheniia*, pp. 185, 193.

¹⁶ Bolkhovitinov, *Rusko-amerikanskie otnosheniia*, pp. 200, 202, 316.

such as during the Russian-Swedish War (1788-1790), the time of the Napoleonic wars (1799 -1812), and, of course, the Crimean War (1853-1856). Russia's main international rival in the middle of the nineteenth century, Great Britain, did not have any intention to start a confrontation over Russia's American holdings as it was much more concerned about warding off potential American expansionism in Canada.¹⁷ A serious foreign policy crisis between Russia and a number of Western powers over the Polish uprising of 1863 was settled by the time of the Alaska sale. Regarding the United States, as N. N. Bolkhovitinov himself justly noticed, the United States had not recovered from the consequences of the Civil War by 1866. Friendly relations between the US and Russia peaked that year as witnessed by the mission of US Secretary of the Navy, Gustavus Vasa Fox, to Russia. There were no official territorial disputes or conflicts between St. Petersburg and Washington, and the United States had already recognized the international borders of Russian America in 1824. Finally, it should be remembered that the United States did not border the Russian colonies, but was divided from them by Canada. Thus, the idea that the Americans posed a military danger to the colonies, an idea that was successfully exploited by Great Prince Constantine and other governmental figures, was rather imaginary. Accordingly, the "military factor" that became one of the main formal reasons for the sale of Russia's American holdings was artificially exaggerated by the Great Prince, who, I believe, was following the interests of his department and his own personal geopolitical views. In reality, the international atmosphere of the mid-1860s favored the relative security of Russia's overseas colonies, especially as British-American relations deteriorated after the end of American Civil War.

Indeed, St. Petersburg used the sale of Alaska to the United States to try to play on these British-American tensions in order to strengthen its position vis-à-vis Great Britain. The territory of British Canada was thus squeezed between lands belonging to the United States, which had long held hopes for further annexation. The Americans' expansionist mood was no secret to the Russians who were attentively following the diplomatic conflicts in the mid-1860s between the United States

¹⁷ Mazour, "The Prelude," p. 162; Glynn Barratt, *Russian Shadows on the British Northwest Coast of North America, 1810 – 1890* (Vancouver, 1983), p. 53.

and the United Kingdom. This conflict had grown out of the arming of Confederate cruisers by British citizens during the Civil War, which led to large losses in the North's trading fleet. Furthering the rift between the US and Great Britain was undoubtedly one of the main goals of the Tsar's government, when the decision was made to sell Russia's New World colonies. This is reflected in official documents, in particular in a note sent by Prince A. M. Gorchakov to the Tsar in December 1866.¹⁸ Moreover, the sale of the colony allowed the Russian Empire to avoid a possible future collision with a strong and quickly growing overseas republic, the leadership of which was to a certain extent guided by the Monroe Doctrine.

According to many historians, another geopolitical factor – the reorientation of Russia's colonial efforts in the 1850s and 1860s toward Primor'e, Sakhalin, and Central Asia – also influenced the decision of the Tsar's government to sell Alaska.¹⁹ In this connection, Russian interest in its North American colonies and the support they received from the imperial center weakened noticeably. Russia's non-American colonies were relatively closer to the metropolitan center, had more favorable natural conditions, and seemed to Russian imperial officials to offer better prospects than far-off Alaska.

Further developing and re-analyzing this geopolitical argument in one of his recently published works, N. N. Bolkhovitinov tried to prove that one of the main reasons for abandoning Alaska while retaining Siberia was the preference for continental colonialism and a disdain for the overseas nature of Russia's American colonies.²⁰ In Bolkhovitinov's opinion, the agriculture-based colonization of Siberia turned out to be more viable than the fur-based development of far-off Alaska.²¹ In this manner, Bolkhovitinov in fact argued that yet another natural, geographic reasoning drove Russia's decision to sell.

¹⁸ Miller, *The Alaska Treaty*, p. 60; Jensen, *The Alaska Purchase*, pp. 58-59.

¹⁹ A. I. Alekseev, *Sud'ba Russkoi Ameriki* (Magadan, 1975), p. 311; Jensen, *The Alaska Purchase*, p. 23; Gibson, "The Sale of Russian America," pp. 17, 30-33.

²⁰ See N. N. Bolkhovitinov, "Kontinental'naia kolonizatsiia Sibiri i morskaiia kolonizatsiia Aliaski: skhodstvo i razlichie," *Acta Slavica Iaponica* 20 (2003), pp. 109-125.

²¹ The Canadian researcher, James R. Gibson came to similar conclusions. See his "Russian Dependence upon the Natives of Russian America," S. Frederick Starr, ed., *Russia's American Colony* (Durham, 1987), pp. 32-40.

POLITARISM AS A REAL REASON
FOR THE SALE OF ALASKA

A number of Russian historians believe that Russia's general socio-economic backwardness represents a more global reason for leaving Alaska. According to this argument, Russia was simply not able to compete in the north Pacific with two of the world's most developed capitalistic countries of the time, Great Britain and the United States. In this connection, specialists usually refer to the continued dominance of feudal relations in Russia, i.e. serfdom, special nobility rights, the abuse of laws by the bureaucracy, and the conservativeness of tsarist autocracy that retarded the development of more progressive capitalistic relations in the country²² and directly influenced the empire's overseas colonies.

However, in my opinion, Russia was in all of its history never a true feudal state, as was France during the Middle Ages. Russia was rather a *politarist* state.²³ Politarism (from the Greek word *politeia* or state) is a social system that forms where the state claims its supreme right to own and control the basic means of production, including labor power.²⁴

On the surface, politarism seems very much like feudalism. In both cases there exists a supreme private owner of both the land and the peasants working the land, whose rights take precedent over all other economic relations. In both systems, people are dependants toiling under the lordship of others, but at the same time have limited "ownership" of their land (or at least they own their tools or some other assets) and their individual lives. Some differences do, however, exist. In feudal societies, each separate feudal ruler was the *de facto* autonomous private owner of a large landed property, which formed the basis for his economic and political independence. In the case of politarism, there is only one supreme owner who collectively exploits all producing classes and this ownership

²² Narochmitskii, *Kolonial'naia politika*, p. 166; Belov, "K stoletiiu," pp. 293-295; N. N. Bolkhovitinov, *Russko-amerikanskii otnosheniia*, p. 316.

²³ See A. V. Grinev, M. P. Iroshnikov, "Rossiia i politarizm," *Voprosy istorii* 7 (1998), pp. 36-46.

²⁴ Karl Marx's grandiose, but not completely correct term, "society with an Asian means of production," is often used in historiography to denote societies of a politarist type. Modern historiographic texts use such terms as redistributive systems, autocracy, Eastern states, and the like.

is exercised by the state apparatus, the bureaucracy. In other words, a *de facto* private form of ownership dominates in the case of feudalism, while a system of private-state ownership dominates in politarism.²⁵

The concept of politarism makes the reasons for the weakness of the Russian colonization of Alaska and the extremely small number of *permanent* Russian settlers easily understandable. As has already been stated, researchers usually associate the paucity of Russian settlement to Alaska's extremely tough climactic conditions and the domination of serfdom in the imperialist center, both of which limited peasant colonization. These are important aspects, but not determinant factors. For a long period of time there were, from a legal point of view, no Russian inhabitants in the colonies,²⁶ as the entire population of the Russian empire, including the "free" inhabitants of the towns, were strictly assigned to a corresponding "community." One could leave their "community" only with the permission of the authorities and only for a limited period of time. The politarist system, in which all or at least the vast majority of the population were state property, logically created a widespread "serfdom" not limited to the peasantry and townspeople, but also including the nobility and the clergy (this remained the case until the end of the eighteenth and beginning of the nineteenth century).²⁷

The system of total state "enservment" was most evident on a personal level through the passport system that had become widespread from the rule of Peter the Great. All of the employees of the RAC had to be issued state passports or analogous documents that allowed them to be present in the colony from three to seven years at a time, after which they were required to return to the place of their original "registration" or to their original place of state service. Although this rule was often violated in practice and the company later received permission to prolong the validity of passports, the problem of encouraging permanent Russian settlement in the colonies was never fully solved. Because of the system of passport control, the state had always reserved the right to recruit

²⁵ See Iu. I. Semenov, *Ekonomicheskaia etnologia*, Book 1, Part 3 (Moscow, 1993), pp. 581-585.

²⁶ Except for small groups of so-called "deportees" – settlers exiled to the colony in 1794 – who are not taken into account. Their fate was rather tragic. See A. V. Grinev, *Pervye russkie poselentsy na Aliaske*, "Klio 2" (2001), pp. 52-65.

²⁷ B. N. Mironov, *Sotsial'naiia istoriia Rossii* (St. Petersburg, 2000), vol. 1, pp. 360-384, 413.

RAC employees into the army or to demand an employee return to his permanent place of registration in order to fulfill other obligations to the state. This, of course, hindered the formation of a permanent Russian population in the New World.

This problem was not solved by exiling around 40 Siberian settlers to Alaska in 1794 or by the 1835 granting of governmental permission for former employees of the RAC to settle in the colonies. As a result, the number of Russian colonists permanently living in Alaska was always extremely low, a fact that naturally did not help solidify Russia's hold over the territory.

At the same time, the lack of a rather large Russian population, and especially the lack of Russian women, kept the true economic potential of the colony from being completely exploited and did not allow for the native American tribes to be completely brought to heel or for the successful countering of smuggling and foreign hunting missions in the territorial waters of Alaska. Such a small Russian population meant that there were not enough local residents to provide for the security and territorial wholeness of the colonies – in other words, there was an entire complex of problems that led to the eventual loss of Russian America.

Politarianism provides us with the insight to understand the peculiarities of the economic system created in Russia's American colonies and the problems that this system faced. Because of the RAC's almost total monopoly and the company's status as the mediator of supreme state power, a distributive economic system was established rather than a capitalistic, market-based system, because the latter require truly independent ownership. The lack of internal competition and incentives for RAC's employees to take an interest in the results of their activities led to a low quality of production, which was in any case primarily restricted to the fur industry. The colonies secretly (and in their early years, openly) relied on the labor of dependent natives who made up the majority of the colonial workforce. A system of direct planning and bureaucracy flourished. No matter how paradoxical it may seem, the socio-economic system created in Russia's American colonies was in many ways reproduced tens of years later on a much larger scale in the USSR.²⁸

²⁸ For more information, see A. V. Grinev, "Russkaia Amerika i SSSR: udivitel'nye paraleli," *Klio* 1 (1999), pp. 119-127.

Given the above mentioned conditions, a politarist economic model was not able to compete with the dynamic development of British and American capitalism, because it was not able to guarantee high productivity, high quality of labor, or the free of movement of labor. These underlying economic factors led to the RAC's financial difficulties of the 1860s, which in turn became an additional argument for a government that wanted to rid itself of the burden of its overseas colonies.

The overall technical and socio-economical backwardness of the politarist Russian Empire did not allow the problem of supplying food and other goods to the inhabitants of the empire's American holdings ever be satisfactorily solved because of the weakness of Russia's industry and trade fleet. This was a direct result of the dominance of agriculture in Russia's economy as well as the underdevelopment of Russian trade. This, in its turn, was caused by the peculiarities of the mother country's natural and geographical conditions, communal organization of labor, low labor productivity, and onerous state taxes and obligations, as a result of which the producer was left with a minimal surplus that restricted the volume of the domestic market. Another reason for the underdevelopment of trade in Russia was the domination of state property over the private property and private interests that to a large degree drive the development of the active exchange inherent in capitalism. The development of trade was further suppressed by totality of the principle of state service. As a result, almost all external trade was concentrated in the hands of foreign merchants and was conducting using foreign vessels. Russia's politarist state concentrated first and foremost on its military fleet and the lack of reliable connections with the imperial center made the position of Russia's American colonies extremely vulnerable. In this way, the Russian politarist system fostered what N. N. Bolkhovitinov terms the "continental" (as opposed to "marine") character of Russian colonialism, whereby this character was determined not only by natural or geographic factors, as Bolkhovitinov suggested, but also socio-economic factors.

The ineffectiveness of the politarist socio-economic model, vividly demonstrated during the Crimean War, forced the tsarist government to introduce reforms "from above" beginning in the 1860s with the aim of broadening the capitalist sector of the economy and eventually transforming the entire system to a capitalist one. Pursuing these reforms demanded major state expenditure that in turn led to large budget defi-

cits. The government was pushed to a radical decision on the future of its American colonies because the colonies required constant financial support from the government and represented an opportunity to realize a profit from the selling of the territories.

Politarianism allows us to understand the lightness and ease with which the Emperor, the personification of the state's supreme ownership of land and labor, sold Alaska in violation of 20-year guarantees granted to the RAC in 1866, and in complete contradiction of public opinion and the interests of the colonies' inhabitants. The Tsar's brother, Great Prince Constantine, and his colleagues played a large role in the making of this dramatic decision. The fate of the colony would doubtfully have been solved in such a straightforward manner without their powerful lobbying.²⁹ Society's complete lack of rights vis-à-vis the representatives of supreme state power is a telling characteristic feature of the politarianist system.

It can be concluded that the fundamental reason for Russia's sale of Alaska was Russia's conservative and relatively backward politarianist system, which was steadily giving way to the intensively developing capitalism of the second half of the nineteenth century. It is exactly the dominance of the politarianist system in Russia's imperial center and colonies that gave birth to the complex of problems that eventually led the tsarist government to its fatalistic decision to sell Russia's American holdings to the United States.

²⁹ A. V. Grinev, "Velikii kniaz' Konstantin Nikolaevich i prodazha Aliaski (k 175-letnemu iubileiu velokogo kniazia Konstantina Nikolaevicha)," *Peterburgskaia istoricheskaia shkola* (St. Petersburg, 2004), vol. 3, pp. 157-179.