Bolshevik Revolutionary Funding: From Mass Contribution to Guerrilla Action

by Po Xiao

Revolution needs money.

For the Bolsheviks, funding was critical to sustain key operations: acquiring printing presses for underground propaganda networks, purchasing weapons, supporting professional revolutionaries, covering meeting expenses, etc. According to a financial draft resolution passed by the Bolshevik Party's central organ in November 1909, the party's total assets were approximately 300,000 francs (equivalent to roughly $1.2 million USD today). Of this, 240,000 francs were allocated as operational funds for a four-year period, equating to an annual budget of about $240,000 USD. Under the Tsarist regime's relentless surveillance, the Bolsheviks faced the daunting task of sustaining a nationwide political organization while evading police scrutiny, requiring funding channels that were both highly efficient and deeply clandestine. With an annual shortfall nearing $300,000 USD, where did the revolutionary funds truly come from?

Conventional Revenue Base: Party Dues, Donations, and Support from the Working Class

The Bolsheviks relied on party dues, individual donations, and working-class support for their regular income. However, these channels were marked by significant limitations, constraining their ability to meet revolutionary demands.

Party dues were chronically insufficient: reports from the Baku Committee of the Bolshevik Party indicate that, in certain periods, dues accounted for only 3% of total organizational revenue. In documented cases involving the Ivanovo-Voznesensk and Łódź Committees, as recorded by Emelyan Yaroslavsky, dues reached up to 50% of income but still failed to cover most expenses. Due to the party's underground status, records of dues collection are incomplete, and related research is scarce. Nonetheless, it is clear that grassroots members often devised creative solutions to address funding shortages. For instance, in Baku, Stalin raised funds through workers' donations and even organized members to infiltrate printing plants to steal components for assembling presses, thereby overcoming equipment shortages.

Another conventional source was donations from workers' groups. When Bolshevik newspapers could still be legally published, Pravda gained widespread support from the working class due to its exposés of bureaucratic capitalist abuses, its focus on workers' lives, and its participatory reporting style. Data from the first half of 1914 shows that of the 21,000 rubles in donations received (equivalent to roughly $315,000 USD today), 85% came from workers' groups. Despite the pressures of a monthly circulation of 40,000 copies, meager advertising revenue, and frequent police seizures, the consistent financial support from the working class enabled Pravda to maintain a balanced budget.

However, it must be noted that this grassroots fundraising mechanism suffers from significant research gaps. Details regarding the scale of donations, fund flows, and other aspects of the Bolsheviks' mass work across different periods and local organizations require systematic archival research to be fully clarified. Bourgeois scholars ignore these gaps, instead cloaking themselves in

the guise of objective, neutral, and rigorous inquiry while eagerly focusing on the Bolsheviks' illicit income. They sensationalize rumors, such as claims that the Bolsheviks murdered "bourgeois donors to secure funds" or that "Lenin accepted money from the Kaiser". This selective focus starkly reveals their class bias.

Bourgeois Funding: A Game of Interests Under a Progressive Veneer

Beyond workers' donations, funding from the bourgeoisie and the progressive intelligentsia constituted a significant source of revolutionary funds. Notably, supporting revolutionary parties such as the Socialist Revolutionary Party and the Social Democratic Party, or individual revolutionaries, became a peculiar trend among Russia's emerging bourgeoisie. These capitalists were predominantly from the Old Believers, an Orthodox Christian sect suppressed in the 17th century for resisting Romanov religious reforms, whose adherents were exiled to remote regions where they engaged in commerce and industry. Most of these capitalists came from the Old Believers of the Russian Orthodox tradition. This sect had been persecuted in the 17th century for resisting the Romanov dynasty's religious reforms, leading its adherents to migrate to remote regions where they engaged in commerce and industry. By the early 20th century, the Old Believers controlled 65% of Russia's industrial and commercial capital. Their ordinary followers, meanwhile, had largely become industrial workers—forming a distinctive triangular relationship between sect, capital, and labor. Therefore, as contradictions between the Old Believer capitalist bloc and the Tsarist government intensified, these formerly conservative forces gradually emerged as a significant driving force behind constitutional reform. For them, funding revolutionary parties was a form of political investment.

The textile magnate Savva Morozov exemplifies this phenomenon. A wealthy Old Believer, Morozov maintained a close personal friendship with Maxim Gorky. During the 1905 Revolution, he and his nephew Nikolai Schmidt collectively provided annual funding of 24,000 rubles (equivalent to roughly $360,000 USD today) to leftist publications such as Iskra and Novaya Zhizn. Notably, Morozov was neither a Bolshevik member nor a Marxist. According to Gorky, while Morozov admired the militancy of Lenin's writings (jokingly calling them a "political boxing manual"), he candidly remarked: "When the revolution comes, they will hoist Lenin and his team to the skies, then eliminate them." During the 1905 Revolution, Morozov participated in political activities aimed at overthrowing the Tsar but later faced political setbacks and lost control of his family's business, ultimately taking his own life. His bold words, however, did not align with his personal convictions. Ironically, his death rendered his sponsorship purer. In his will, he bequeathed his estate to the revolutionaries, with 60,000 rubles (approximately $900,000 USD today) transferred to the Bolsheviks through Gorky's wife.

Nikolai Schmidt, Morozov's nephew, was also a fervent supporter of the revolution and a Bolshevik Party member. He owned a furniture factory in Presnya and actively participated in the 1905 Revolution, funding the arming of workers for the uprising. During the Moscow armed uprising in December 1905, Schmidt was arrested and was killed in prison on the night of December 13, 1907. Although he left no will, Schmidt had pledged to donate his estate to the Bolsheviks. His two sisters were the legal heirs, but their uncle controlled the estate. The Bolsheviks arranged for party members to enter into sham marriages with the sisters, successfully securing the inheritance through a legal battle. The estate totaled approximately 240,000 rubles (roughly $3.6 million USD today). However, the Mensheviks argued that the funds should be jointly managed by both factions, leading to ongoing disputes over their allocation. Ultimately, under the arbitration of the Second International, Lenin was compelled to entrust the money to Zetkin for safekeeping.

At the time, beyond Morozov and Schmidt, many

bourgeois donors viewed funding revolutionaries as an investment or a hedge. As Morozov had envisioned, revolutionaries would lead the charge to overthrow the Tsar, while these donors would ultimately emerge as the true masters of the new regime.

Consequently, such bourgeois contributions often came with strings attached. If revolutionaries relied on these funds as a primary and sustained source, they risked becoming mere tools of the bourgeoisie, which ironically, has become the fate of the Mensheviks. Mensheviks funding largely came from these "wealthy friends," leading them to align politically with the bourgeoisie. However, because the Russian bourgeoisie had long opposed the Tsar, the Mensheviks could still cloak themselves in the guise of revolution.

Guerrilla Warfare: The Strategy of Armed Expropriation

Beyond party dues and workers' donations, revolutionary organizations needed to develop other independent funding sources to meet the demands of organizational development and sustain political struggles. One such method was termed "guerrilla action," involving the use of armed force to seize resources from the exploiting classes. Prior to 1905, the Bolsheviks rarely employed this tactic, but as revolutionary conditions intensified, the frequency of guerrilla activities surged markedly following the 1905 Revolution.

During the 1905 Revolution, workers' strikes, and armed struggles surged with fervor, while localized uprisings erupted among soldiers and peasants. Confronted with an increasingly volatile revolutionary situation, the Bolsheviks began preparing for armed insurrections, procuring arms through purchases, production, and smuggling. These efforts significantly increased financial pressures, compelling the organization to seek new funding sources. Meanwhile, the domestic social chaos created fertile ground for illicit economic activities, prompting revolutionaries to pursue guerrilla actions to secure funds.

For instance, in Russia's western regions, the revolution triggered a rapid collapse of social order, with class antagonisms manifesting in ethnic massacres and violent crime. The Tsarist bureaucracy and police were entirely unable to control the countryside, and even some urban areas experienced mafia-ization, with the streets rife with vendettas, looting, and acts of terror. Statistics indicate that between February 1905 and 1906, 126 officials were assassinated in the Baku region alone, while across Russia, a conservative estimate suggests 3,600 officials were attacked.

Against this backdrop, the Baku Party organization, led by Stalin, demonstrated remarkable adaptability. They not only intensified underground propaganda efforts but also established armed squads. During this period, nearly all revolutionary factions—including the Socialist Revolutionary Party, Mensheviks, and Bolsheviks—engaged in armed struggle. Stalin's armed forces undertook two primary tasks: first, channeling spontaneous mass struggles into organized leadership to help them resist suppression by Tsarist police and criminal gangs; second, conducting expropriation operations, dividing seized assets into two portions—one submitted to the Party's central leadership and the other used to purchase weapons and support organizational activities. Guerrilla action quickly spread and matured, ultimately providing substantial financial support to the Bolshevik Party.

The Bolsheviks employed diverse methods to carry out their operations, including: first, robbing banks, armored cash transports, and ships, often relying on internal workers or clerks as informants to ensure success; second, extorting "revolutionary protection fees" from the bourgeoisie, as factory owners, frequently targeted by criminal organizations, faced threats—some directly from the Bolsheviks—yet preferred to pay to avoid trouble; and third, confiscating the assets of those collaborating with Tsarist police in controlled areas. The most iconic case was the

1907 Tiflis bank robbery, orchestrated by Stalin and his deputy Kamo, which resulted in dozens of deaths and drew international attention. The heist yielded approximately 200,000 to 300,000 rubles (equivalent to roughly $3 million to $4.5 million USD today), though the actual usable amount is uncertain due to the inclusion of many sequentially numbered banknotes.

In this process, the Bolsheviks remained highly vigilant to prevent their armed revolutionary groups from degenerating into mere criminal organizations, while also considering the realities of the revolutionary environment. The following principles and strategies were established by the Bolsheviks: private property must never be subject to “expropriation”; “expropriation” of state property was not encouraged and was permitted only under strict Party supervision and when the funds were used for uprising needs. Terrorist guerrilla warfare was advocated against oppressive government officials and active criminal gangs, but it had to adhere to the following conditions: 1) consideration of the sentiments of the broader masses; 2) attention to the conditions of the local workers’ movement; and 3) efforts to ensure that the proletariat’s strength was not wasted unnecessarily.

On the issue of illegal activities, a profound rift divided the Bolsheviks and Mensheviks. The revolution that erupted in 1905 failed decisively two years later, with radical armed uprisings thwarted by Tsarist repression. Prime Minister Stolypin reopened parliament to appease the bourgeois conservative faction and riots and strikes gradually subsided. As the revolution entered a low ebb, the Mensheviks vehemently opposed the Bolsheviks’ “illegal activities,” arguing that these actions not only fractured the proletarian ranks and hindered party participation in parliamentary activities but also provided the Tsarist government with pretexts for suppression. They further accused Lenin of adopting the Blanquist and anarchist tactics of the Socialist Revolutionary Party, entirely abandoning the principles of the Second International. At the 1906 Stockholm Conference, the Menshevik majority passed a resolution demanding the dissolution of the Bolshevik-controlled “combat squads” and restricting fundraising to “legal expropriations.” After the conference, Bolshevik “illegal activities” were somewhat curtailed but never fully ceased. Lenin insisted on retaining armed actions to support the working class against criminal gangs and police repression. Though the Bolsheviks formally withdrew from the party organization, they continued armed expropriations, maintaining organizational ties and obeying directives from the Bolshevik Central Committee. By 1907, as resistance movements were thoroughly suppressed, armed political activities lost viable space, yet Lenin persisted with economic expropriations. This led to fierce debates with the Mensheviks, with Lenin’s core arguments articulated in his article Guerrilla Warfare.

Stalin’s Tiflis bank robbery further intensified tensions between the Bolsheviks and Mensheviks. The conservative right wing of the Mensheviks, known as the Liquidators, advocated dismantling the party’s clandestine organizations, openly abandoning its program, tactics, and traditions in favor of fully legal activities, aiming to establish a legal workers’ party modeled on Western European constitutional states. This faction sought to eliminate the party’s reliance on illegal activities for funding. Conversely, the Recallists led by Bogdanov and Krasin, radically demanded the withdrawal of party members from parliament, rejecting all legal forms of struggle in favor of clandestine activities. Krasin, as head of the Central Committee’s technical group, specialized in developing bombs and other weapons, while Bogdanov, closely tied to Gorky, served as the Bolsheviks’ financial overseer. Both were not only practical leaders and technical supporters of expropriation operations but also, due to their radical stance and positions, posed a particularly dangerous influence with their misguided ideas. Lenin criticized the Recallists’ so-called “revolutionary” approach as a panicked and impotent response to the revolutionary downturn,

emphasizing the need to combine legal struggle with clandestine work. In June 1909, an expanded meeting of the Proletary editorial board formally expelled the Recallists from the Bolshevik organization.

On The Objective Historical Context: Policing in Tsarist Russia

This raises a critical question: if the Bolsheviks engaged in criminal activity to raise funds, why weren't they crushed by the Tsarist regime?

Despite its reputation as an "autocratic stronghold," Tsarist Russia's actual governing capacity fell far short of its Western European counterparts. By the late 19th century, Russia's railway density was only one-twentieth that of Germany, and its telephone penetration was less than one-tenth of France's. Spread across 15 million square kilometers, the empire maintained only 11 to 13 civil servants per 10,000 residents—well below Western European administrative standards. This weakness reflected the inherent limitations of premodern state organization: even the most authoritarian regime could not match the administrative efficacy of an industrialized power.

Russia's political police system was likewise underdeveloped. The establishment of the Police Department in 1880 marked the beginning of modernized state repression, but its scope remained minimal: in 1895, it had only 161 full-time officers, and the gendarmerie numbered fewer than 10,000. After the 1905 revolution, the security apparatus expanded rapidly—recruiting 26,000 informants and infiltrating 30% of revolutionary groups—but this remained insufficient in the face of nationwide unrest.

Following the 1861 emancipation of the serfs, Russia's internal security situation deteriorated dramatically. Former serfs were saddled with massive debts to buy land, only to face ruin due to natural disasters and economic collapse. Many were driven into urban slums, reduced to destitute proletarians, and increasingly drawn into crime. The upper classes also faced severe disruption. Some nobles, unable to adapt to capitalist relations after losing their feudal privileges, squandered their wealth and fell into social decline. Meanwhile, the emerging intelligentsia and bourgeoisie viewed the Tsar as a barrier to modernization and became the chief supporters of the Socialist Revolutionary Party's campaign of terror. Isolated on all fronts, the Tsarist regime was forced into uneasy compromises with both the old aristocracy and the nascent capitalist class.

Another major weakness of the Tsarist repression apparatus lay in its distorted structure: it was tasked with both preserving aristocratic privilege and adapting to the legal norms of capitalism. Political prisoners were rarely executed—only 44 between 1886 and 1895—and aristocratic revolutionaries could freely reside abroad. Private property was zealously protected: dissident writers such as Herzen and Gorky were even able to retain their assets to finance revolutionary activities. Meanwhile, the prison and exile systems were riddled with corruption and inefficiency. Although Okhrana agents were capable of arresting revolutionaries, they were unable to incapacitate them: Stalin, for instance, was arrested seven times and escaped six; Kamo, the mastermind of the Tiflis heist, evaded trial by feigning insanity. The incompetence of the bureaucratic system severely undermined the effectiveness of repression. The Tsarist government had no computerized system to catalogue thousands of revolutionaries and relied instead on a bloated, corrupt, and inept bureaucracy. Like the state itself, the Tsarist police apparatus was riddled with holes and leaking from all sides.

As a result, while the Bolsheviks' "illegal activities" were subject to repression, they were never eradicated. Gaps in the regime's governance, aristocratic protections, and an ineffectual judiciary all created space for revolutionaries to survive. The Bolsheviks' disciplined organizational structure also endowed them with the capacity for guerrilla operations. Without systematic organization,

radicals within the party would have either veered toward the Socialist Revolutionary Party's path of terrorism or degenerated into mere criminal gang's incapable of managing large sums of illicit funds. In fact, at the level of organizational coherence, the Bolsheviks had already surpassed the Tsarist police. This alone reveals the decrepitude of Tsarist rule: its inability to construct a modern state apparatus—a historical task of the bourgeoisie—had, by necessity, fallen to the Bolsheviks.

Conclusion

Let us return to the main subject of this article. We have outlined the three sources of Bolshevik income and presented them in parallel. However, such a presentation can easily give the false impression that these income streams coexisted as a synchronic structure, whereas in reality, the issue of revolutionary funding was always embedded in a dynamic process of historical development. The years 1905–1907 marked the peak of revolutionary activity; afterwards, the movement entered a period of ebb. The mistakes of the Recallists and Liquidationists cannot simply be condensed into a form of opportunism that Lenin opposed. One must instead examine how Lenin addressed the concrete problems posed by the realities he confronted.

During the revolutionary upsurge, workers were actively engaged in struggle, bourgeois donations increased substantially, and armed struggle opened the possibility for guerrilla operations. In this phase, the Bolsheviks were financially well-equipped—the bourgeoisie, as enthusiastic participants in the 1905 revolution, provided substantial donations. Ironically, this compelled the Bolsheviks to be even more vigilant, emphasizing the need to preserve the independence and purity of the proletarian vanguard. At the same time, the experience of armed struggle during the revolutionary high tide enabled the Bolsheviks to develop the capacity for guerrilla warfare.

However, as the revolution entered a downturn, the will to struggle among workers declined, party membership dropped sharply, and income from worker contributions and party support shrank drastically. In such conditions, Lenin still insisted that as long as conditions permitted—as long as the Tsarist government had not fully destroyed the movement—the Party should continue maintaining its armed action units wherever possible. In his view, armed struggle with the Tsarist regime was inevitable. While large-scale clashes like those of 1905 would not soon return, neither could the Tsarist state entirely eliminate its opponents. Class struggle would unfold in intermittent, small-scale confrontations. Therefore, "The Social Democratic Party must educate and train its organizations to genuinely constitute one of the fighting sides"—to lead the masses effectively in moments of major upheaval, the Party had to rehearse in the course of minor skirmishes.

Thus, guerrilla activity became a necessary choice. The only remaining question was: is it feasible? First, Tsarist repression, though strong, had not yet reached the level of entirely crushing all illegal activity. Second, certain Bolshevik branches were already armed; so long as a few successful operations could be carried out, they could provide the Party with funding for a year or even several years. From an economic standpoint, guerrilla activity was not only feasible—it was even "high-return." Based on these two factors, Lenin continued to insist on sustaining guerrilla operations during the revolutionary low tide.

Therefore, the question of Bolshevik revolutionary funding was never fixed, but rather the product of specific and shifting historical conditions. One cannot isolate discussions of legalism or parliamentary struggle from this question and its development over time. As Lenin put it: "Marxism does not confine itself to the forms of struggle that are possible and already known at a given moment. It holds that new forms of struggle will inevitably emerge, forms unknown to the political activists of the current period, as the situation in society changes."