

<https://internationalviewpoint.org/spip.php?article5178>



Part 5 of the Series: Centenary of the Russian
Revolution and the Repudiation of Debt

The French press in the pay of the Tsar

- Features -

Publication date: Friday 6 October 2017

Copyright © International Viewpoint - online socialist magazine - All rights
reserved

With the overthrow of Tsarism in February 1917 and the seizing of power by the Bolsheviks and their Socialist Revolutionary allies in October, numerous previously confidential documents were made public (see further on). This allowed Boris Souvarine, a Franco-Russian communist activist to consult Russian imperial archives. He discovered a vast organisation of complicity with the French press that pre-dated the First World War, aimed at promoting Tsarist bond issues to French investors. This affair, in which influential people were corrupted and became accomplices, was denounced by the communist daily *L'Humanité* in a series of daily articles entitled 'The abominable venality of the French press' that appeared over a period of several months during 1923 and 1924.

How the Tsarist regime procured the French press in order to issue bonds

Since the end of the 19th century the empire of the Tsar had chosen Paris as its preferred financial market for bond issues. The bonds were purchased by many French investors and small savers. At the beginning of the 20th century this funding had become a pillar of the Tsarist regime that in 1904-5 was at war with Japan at the same time as it sought to put down internal discontent and repress the 1905 revolutionary movement. After losing the war against Japan, in 1906 Russia made a big bond issue on the Paris market. Arthur Raffalovich, diplomat and secret adviser, in Paris, to the Russian minister of Finance, was charged with promoting Russian loan certificates up to the First World War. It was his correspondence with his superiors in Russia that revealed complicity in corruption and coercion between the Tsarist regime and many big French newspapers, mostly Parisian (such as *Le Figaro*, *Le Petit Journal*, *Le Temps* and *Le Matin*), big French banks (notably Crédit Lyonnais and the *Banque de Paris et des Pays-Bas*, which has become *BNP Paribas*) as well as Senators and Ministers. Among them Raymond Poincaré, who was to become President of the French Republic (i.e. head of the French State) in 1913, was implicated for his actions while he was President of the French Council (i.e. head of the French government) and Foreign Minister in 1912 (his Finance Minister, Louis-Lucien Klotz was also implicated at the time); he was again President of the French Council and Foreign Minister when the scandal exploded. However, the affair was no bother to him: he remained President of the French Council until 1924, and again from 1924 also holding the post of... Finance Minister! The role played by the Paris Stockbrokers' Corporation was central to the coercion pressed on the Tsar's government. Between 1900 and 1914, the Russian government distributed 6.5 million francs to the French press.

When the affair blew up, the corruption of the press by the financial sector was far from being new. A scandalous French fund raising scheme to build a canal in Panama had functioned in the same way. In the case of the Russian issues the Russian empire and the issuing banks purchased advertising in the newspapers of greater distribution that praised the Russian financial situation and the solvency of the Tsarist debt. According to Raffalovich this advertising involved censorship - news of difficulties in Russia's war against Japan or of the revolutionary unrest in 1905 was not considered to be presentable to potential investors! The documents indicate that there may also have been false subscriptions. The Stockbroker's Corporation, newspaper board members and politicians blackmailed the Russian government into making bigger payments and so maximised their profits.

The revelations in *L'Humanité* are based on authentic documents. Among the incriminated newspapers, only *Le Matin* initiated proceedings against the communist organ. From the first day of the trial, Vladimir Kokovtsov, the Tsar's Finance Minister almost without interruption between 1904 and 1914, and head of the government between 1911 and 1914, was called to the box. A reactionary exiled in France, it was not in his best interest to put the press under accusation but he did bear witness to the honesty of his former collaborator Raffalovich. *L'Humanité* was technically condemned to pay 10,000 francs damages compared to the 1,500,000 francs demanded by *Le Matin* and the court recognised the authenticity of the revealed correspondence. Finally, in 1924, Maurice Bunau-Varilla, the

The French press in the pay of the Tsar

owner of *Le Matin*, himself highly implicated in the affair no longer hid his sympathies for the authoritarian nationalisms coming to power in Europe to resist communism. He supported Fascist Italy and later Nazi Germany. During the occupation of France, *Le Matin* collaborated with the Vichy regime. After the liberation of France it was shut down.

Translated by Vicki Briault, Mike Krolkowski and Christine Pagnouille

Part 1: [Russia: Repudiation of debt at the heart of the revolutions of 1905 and 1917](#)

Part 2: [From Tsarist Russia to the 1917 revolution and the repudiation of debt](#)

Part 3: [The Russian Revolution, Debt Repudiation, War and Peace](#)

Part 4: [The Russian Revolution, Peoples' Right to Self-determination, and Debt Repudiation](#)

Part 6: [Russian bonds never die](#)

Part 7: [Diplomatic manoeuvres around Russian debt repudiation](#)

Part 8: [In 1922 creditor powers again attempt to subjugate the Soviets](#)

Part 9: [The Soviet counter-attack: the Treaty of Rapallo, 1922](#)

Part 10: [Genoa \(1922\): proposals and counter-proposals on the Tsarist debt](#)

Part 11: [Debt&Euros" Lloyd George blames the Soviets](#)

Part 12: [Reasserting debt repudiation ends with success](#)