

A HISTORY OF SOVIET RUSSIA 9

— E.H.CARR & R.W.DAVIES —

**FOUNDATIONS OF A
PLANNED ECONOMY
— 1926-1929 —**

VOLUME ONE-I



A HISTORY OF SOVIET RUSSIA

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by E. H. Carr

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*with R. W. Davies

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FOUNDATIONS OF A PLANNED ECONOMY 1926-1929

BY

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VOLUME ONE—PART I



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PREFACE

THE present volume begins the fourth and last instalment of the *History of Soviet Russia* which I planned twenty years ago, and of which the opening volume, *The Bolshevik Revolution, 1917-1923*, Volume 1, appeared in 1950. In this volume I have for the first time been fortunate enough to have a collaborator, Professor R. W. Davies of the University of Birmingham, who has taken over a good half of the increasingly heavy burden of research and writing, and whose economic qualifications have made an invaluable contribution to our work. While we should wish to accept joint responsibility for the volume as a whole, and while every part of it has been discussed in detail between us, the chapters on agriculture, labour and trade and distribution were initially drafted by me, and those on industry, finance and planning by Mr Davies. The importance and complexity of the subject must serve as an excuse for the length of the volume, which, like the third volume of *Socialism in One Country, 1924-1926*, appears in two continuously paginated half-volumes.

The original plan of the *History* outlined in 1950 in the preface to the first volume of *The Bolshevik Revolution, 1917-1923* has undergone many changes. But the terminal date there indicated for the whole project, 1928, has been moved on only by a few months. The formal adoption of the first five-year plan at the fifth Union Congress of Soviets in May 1929, with the vast industrialization programme well and truly launched, seemed to provide the best stopping-point. The events of the last months of 1929 leading up to the forced collectivization of agriculture announced in the first days of 1930, though in some sense a corollary of the plan, opened a fresh and desperate phase in Soviet history. Politically, the defeat of the last real opposition — the "Right deviation" — in the spring of 1929 marked the establishment of Stalin's uncontested dictatorship, which received its consecration on the occasion of his fiftieth birthday in the following December.

The spring of 1929 is a terminal landmark for the historian of the Soviet Union in another relevant sense. Down to that time, debates were conducted in the leading party organs on major issues of policy; and, though the free expression of opinions hostile to the party was increasingly restricted, the historian has no great difficulty in unravelling the issues at stake, in appreciating the arguments advanced on either side, or in knowing, by and large, who advanced them. This — almost suddenly — ceases to be true after the spring of 1929. Though we understand well enough the pressures which led to the decision at the end of that year to embark on the forced collectivization of agriculture, we know little of the discussions in the inner counsels of the party which must have preceded the decision, or of the view taken by any leading Soviet politician other than Stalin. Later, the fog becomes thicker still, and, in spite of a few piecemeal revelations, envelops all Soviet policy in the nineteen-thirties. It was, for these reasons, never my intention or ambition to carry on the present work beyond this terminal point — apart from the considerations of age which would rule out any hope of my being able to do. I shall think myself fortunate if I can complete the existing project down to that date. I am now engaged on a volume dealing with political developments in party and government from 1926 to 1929; for the further volume on the international relations of the period, I hope to have the collaboration of Professor Ivan Avakumović of the University of British Columbia.

Some minor technical points should be recorded here. We have used the 1954 edition of resolutions of party congresses and sessions of the party central committee (in place of the now less accessible 1941 edition used in previous volumes), and the multi-volume edition of resolutions of Soviet congresses published between 1959 and 1965. On the other hand, we have continued to use, as in previous volumes, the second edition of Lenin's works; the references in this volume were too few to make a change-over to the current fifth edition worth while. I regret a misuse, in some passages of earlier volumes, of the abbreviation VTsIK. In the period 1917-1923 it was in regular use for the All-Russian Central Executive Committee of Soviets of the RSFSR. After the formation of the USSR in 1923, I continued

to use it for the All-Union Central Executive Committee, which was for all practical purposes the successor of the All-Russian committee ; in fact, it quickly ceased to be used in this sense, and was restored, when it was used at all, to the now subordinate All-Russian Central Executive Committee of the RSFSR. In the present volume, the abbreviation TsIK, used without qualification, means the TsIK of the USSR ; " the TsIK of the RSFSR " is so designated ; and the ambiguous VTsIK is not used at all.

The pleasant task remains of expressing my warm thanks to the large number of those who have in one way or another helped me in my work on this volume — sometimes by suggesting or lending out-of-the-way or unpublished material, sometimes by correspondence, most often by personal discussion of obscure or controversial points. It would be impossible for me to list the names of all of them here, and I hope they will not attribute my omission to do so to any shortcoming in my appreciation of their help. Some particular debts I should, however, like to place on record. Professor R. E. F. Smith, Professor of Russian in the University of Birmingham, is a mine of knowledge and understanding, placed generously at the disposal of workers in this difficult field, about the Russian peasant in all periods. The study of the Soviet peasantry of the nineteen-twenties has received a powerful impetus from Dr Moshe Lewin's detailed study *Russian Peasants and Soviet Power* ; and, though I do not entirely agree with his conclusions, I have derived great pleasure and profit from discussions with him, and am grateful to him for having let me see in advance an early draft of his book. Of American friends whose insights have helped me, in discussions spread over a number of years, to see more deeply into the problems of Soviet history, I would name especially Herbert Marcuse, of the University of California at La Jolla, Barrington Moore of Harvard University, and Arno Mayer of Princeton University. To all these I have a warm sense of obligation. I am further indebted for the generous loan of scarce Russian works to E. E. Orchard of the Research Department of the Foreign Office, to Maurice Dobb, and to Andrew Rothstein.

Many institutions also have claims on my gratitude. While engaged on some of the initial work on this volume, I enjoyed

for two months the generous hospitality of the Rockefeller Foundation at the Villa Serbelloni on Lake Como, and of its director, Mr John Marshall, and the ideal working conditions which they afforded ; and in the following year I spent a similar period at Harvard University, where I lived under the hospitable roof of John Winthrop House, and was able to avail myself of the comprehensive resources of the Widener Library and to use the Trotsky archives in the Houghton Library — still by far the largest and most important deposit of unpublished material for this period outside the Soviet Union. My debts to libraries and librarians in this country, to whom I owe access to the bulk of my material, have been registered in the prefaces to previous volumes. They have not diminished as the work has progressed, and I can only repeat here my sincere thanks to all those concerned for the unceasing patience and courtesy which they have shown in dealing with my requests. The secretarial assistance of Miss Jean Fyfe has once more been invaluable.

E. H. CARR

Mr Carr's suggestion, some years ago, that I should participate in his vast enterprise was both exciting and flattering. Work on the volume has been extremely enjoyable, and has been much assisted by the help of others, and especially of Mr Carr himself ; I am particularly grateful to him for patience and understanding when, after the establishment of the Centre for Russian and East European Studies at Birmingham in 1963, my progress was for a time retarded. My colleagues in the Centre, notably G. R. Barker, R. E. F. Smith and the Centre secretary Ruth Cox, generously helped to accelerate completion by assuming administrative responsibilities. I also wish to thank Professors D. Granick, A. Nove and Y. Taniuchi, who read part of an early draft ; Dr R. Schlesinger, who provided background information on the politics of the period ; Mr Geoffrey Wheeler, who supplied a bibliography about the Turksib railway ; Miss Jean Fyfe, whose ability to decipher the convolutions of my drafts is unsurpassed ; and, by

no means least, my wife Frances, who read part of the manuscript and together with our children cheerfully tolerated absences and preoccupation.

I had the opportunity in the winter of 1963-64 of spending two months in Moscow attached to the Institute of Economics of the Academy of Sciences of the USSR. Work in the rich collections of the Lenin Library and of the Fundamental Library of Social Sciences of the Academy provided substantial material; and I had valuable exchanges of views with Dr I. A. Gladkov and his colleagues in the Institute of Economics and with V. P. Danilov, L. S. Rogachevskaya and their colleagues in the Institute of History. The visit was arranged by the presidium of the Academy of Sciences and financed by the University Grants Committee through the "Hayter" Travel Grants scheme which has made so much difference to the study of the Soviet Union in this country.

R. W. DAVIES

We take this opportunity of warmly thanking Mr Douglas Matthews for undertaking the arduous work of preparing the Index.

E. H. C.

R. W. D.

PART I

THE ECONOMIC ORDER

A: *Agriculture*

*

CHAPTER I

THE HARVEST OF 1926

THE experience of the harvest of 1925 demonstrated the two-fold character of the grain problem. It was not enough to increase production: it was necessary also to increase the volume of grain actually put on the market. The "marketability" (tovarnost') of the harvest became a familiar key-word in current discussions.¹ The fourteenth party conference in April 1925 put "the marketability of agricultural production" side by side with the restoration of industrial production as the major conditions of economic revival. The same note was sounded at the session of the party central committee in April 1926, and once again at the fifteenth party congress in December 1927.² Nor did any doubt exist about the fundamental causes of the low marketability of the harvest. So long as the predominant form of cultivation was by a large and increasing number of small peasant households living at or near subsistence level, the proportion of grain available for the market, i.e. to feed towns and factories, was likely to be small;³ and the shortages of manufactured goods which the peasant might desire to purchase weakened any incentive to bring his grain to the market. But for the moment nobody was eager to face this dilemma. It was agreed — the opposition continued to harp on the point — that the process of industrialization approved at the fourteenth party congress in December 1925 would demand the provision of larger grain surpluses by the countryside. It was agreed that the wings of the *kulak* and of the private trader must be clipped. The journal of the agrarian section of the Communist Academy issued a sharp

¹ See *Socialism in One Country, 1924-1926*, Vol. 1, pp. 239-240; for the definition of marketed production see Note A, pp. 916-919 below.

² *KPSS v Rezolyutsiyakh* (1954), ii, 158, 262, 437, 472.

³ In 1926-1927 the proportion of marketed grain was said to be 20 per cent in *kulak*, 12 per cent in middle peasant, and 6 per cent in poor peasant, holdings (V. Yakovtsevsky, *Agrarnye Otnosheniya v SSSR* (1964), p. 156).

warning on the need for sternness :

It is indispensable to be prepared for a stiff policy in regard to unplanned purchasers [of grain] and private capital. This does not mean that we should put into effect a total prohibition on unplanned purchasers and private purchases But to repeat for the second time the liberal experiment with private capital and unplanned purchasers, in conditions no whit better than those of last year, would be sheer folly.¹

But it was assumed that the desired results could be achieved by a judicious raising and readjustment of the agricultural tax, so sharply lowered in 1925, and by the reorganization of the machinery of collection decided on at the session of the party central committee in April 1926,² without affecting the basis of a policy designed to conciliate the peasant. The peasantry as a whole was more prosperous and better satisfied than at any time since the revolution. The inflated level of grain prices throughout the winter of 1925-1926³ had reached its peak in March 1926, and then declined suddenly and sharply to levels well below those for the corresponding period of 1925.⁴ Groman, expressing the views of Gosplan, predicted that in the forthcoming year it would be possible to carry out the programme of grain collections at lower prices, and that this would ease the whole economic situation and pave the way for expansion.⁵ A guarded optimism was reflected in a resolution of Sovnarkom and STO of June 28, 1926, noting, though not formally approving, the preliminary "directives" of Gosplan for the coming year. In spite of an increase of 5 per cent in the sown area over 1925, Gosplan cautiously budgeted for an "average" yield of 4000 million puds (about 66 million tons) of grain, in comparison with the 4440 million puds harvested in 1925.

¹ *Na Agrarnom Fronte*, No. 5-6, 1926, p. 18.

² See *Socialism in One Country, 1924-1926*, Vol. 1, pp. 327-328; a leading article in *Pravda*, May 25, 1926, stressed the danger of "unplanned" collections as "a factor in the disorganization of the market".

³ See *Socialism in One Country, 1924-1926*, Vol. 1, pp. 293-297.

⁴ In March 1926 official grain prices stood at 150 per cent of the average level of 1909-1913; by July 1926 they had fallen to 106 per cent, and rose only slightly during the rest of the year (see Table No. 34, p. 966 below).

⁵ *Torgovo-Promyshlennaya Gazeta*, May 6, 1926; Preobrazhensky in an article in *Pravda*, June 27, 1926, wrote of the need to keep down grain prices.

The resolution of Sovnarkom and STO noted with satisfaction "the substantial growth of production for the market", and stressed that the size of investment in industry was dependent on the size of the harvest. But agriculture still eluded the planners and, unlike other sections of the economy, was not made the target of specific injunctions.¹ The centre of gravity had momentarily shifted from agriculture to other sectors of the economy.

The joint session of the party central committee and central control commission, which lasted from July 14 to 23, 1926, was the first occasion when the groups headed by Zinoviev and Trotsky acted openly in concert, and the "united opposition" came into being. The so-called "declaration of the 13" put forward by the united opposition was primarily concerned with industry and with the political divisions in the party. But the policy of indulgence to the well-to-do peasant had continued to arouse uneasiness in the party; and the declaration repeated the charge, familiar since the summer of 1925, that "in questions of agricultural policy the danger of a shift in favour of the upper strata in the countryside is becoming more and more clearly defined". The "alliance with the middle peasant" was being converted into "a line in favour of the 'well-to-do' middle peasant", with increased pressure on the poor peasant; "the 'well-to-do' middle peasant" was no more or less than "the younger brother of the *kulak*".² An attack was launched on fiscal and economic policies which had favoured the *kulak*. The case was strongly argued for stiffening the agricultural tax, and making it more progressive: this was Trotsky's principal contribution.³ Kamenev, who once more appeared, as at the session of April 1926, as *rapporteur* on the grain collections, demanded a reduction in grain prices "at all costs, as a basic directive". As against an average grain price for 1925-1926 of 1·04 rubles a pud, he proposed to aim at an average price of 85-90 kopeks; and even 85 kopeks was not to be regarded as "a

¹ For this resolution see p. 811 below.

² The declaration is in the Trotsky archives, T 880; passages from it were quoted at the fifteenth party conference (*XV Konferentsiya Vsesoyuznoi Kommunisticheskoi Partii (B)* (1927), p. 618). For industry see pp. 279-280 below; the political aspects of the session will be discussed in a subsequent volume.

³ For the reform of the agricultural tax see pp. 753-755 below.

limit below which we must not fall".¹

The resolution on the grain collections, which was adopted unanimously, was evidently a compromise. It accepted the latest estimate of the Central Statistical Administration, more optimistic than that of Gosplan, of a total harvest yield of 4700 million puds (or 77 million tons) of grain: this would allow for a marketable surplus of 900 or 1000 millions, of which 700 millions would be taken up in "planned" collections by official organs and 300 millions would go into private trade, including illicit distilling. "Some increase" in the agricultural tax, which had already been agreed, was noted as a favourable factor. Attention was also drawn to certain disquieting features—the failure to balance agricultural production with a corresponding output of industrial goods; the inclination of the well-to-do peasants to hold back supplies from the market; and the lack of reserves in the hands of state organs, which had thus little freedom of manœuvre. The accumulation of a reserve fund of 50 million puds of grain was named as "one of the most important tasks of the coming grain collecting campaign".² No prices were mentioned in the resolution. But, when Rykov, in his speech to the Moscow party organization after the session, adopted Kamenev's figure of 85-90 kopeks as the expected average price for grain,³ it was apparent that it had been tacitly accepted.⁴

It was, however, Bukharin who emerged as the most eloquent exponent and defender of the official policy. Speaking in Lenin-grad on July 26, 1926, he took as his starting-point the familiar assumption that the troubles of the economy arose from the break-

¹ Kamenev's proposals were quoted in *Bol'shevik*, No. 7-8, April 30, 1927, p. 32.

² *VKP(B) v Rezolyutsiyakh* (1941), ii, 117-121; this resolution was omitted from later editions. Eight members of the opposition, including Zinoviev, Kamenev, Trotsky and Krupskaya, voted against the resolution on the re-elections to the Soviets (for which see *Socialism in One Country, 1924-1926*, Vol. 2, pp. 362-364), making a declaration which alleged that nothing had been done to encourage the *batraks* and poor peasants and that Narkomzem had given its support to the "strong" middle peasant (Trotsky archives, T 882).

³ *Pravda*, August 1, 1926; the same estimate was repeated by Frumkin, deputy People's Commissar for Finance, in an optimistic article in *Sovetskoe Stroitel'stvo*, No. 1, August 1926, p. 35.

⁴ Kamenev after the session expressed satisfaction at the acceptance of the proposal to reduce grain prices (*Bol'shevik*, No. 7-8, April 30, 1927, p. 32).

down of a natural and necessary equilibrium. In Bukharin's judgment, the rate of development of agriculture had lagged too far behind that of industry; the opposition took the converse view. Bukharin had no difficulty in showing that over the last two years industry had advanced, in respect both of production and of the number of those employed, far more rapidly than agriculture. He trounced Pyatakov for demanding more intensive industrialization and higher prices for industrial goods, which could only aggravate the existing "disproportion" between town and country, and congratulated the party on the success of its policy of "pacification of the peasantry and of the mass of middle peasants".¹ A few weeks later the final Gosplan control figures for 1926-1927 were forwarded to STO and published.² The estimate of the total grain harvest had now been raised to 4800 million puds (79 million tons), making an increase of 9 per cent on the previous year. The estimate of marketed production had been raised to 18 per cent for all products and to 16 per cent for grain.³

The policy of hoping for the best was on this occasion justified by the event. The grain harvest of 1926 reached the record total of 76·8 million tons (not far below the final Gosplan estimate).⁴ The peasant journal hailed the new economic year which opened on October 1, 1926, as the year "no longer of recovery, but of further development, in industry and in agriculture", and boasted that "the countryside is building socialism together with the town".⁵ In 1925 the collections had fallen off badly between September and December; in the same months of 1926 they were still rising, and nearly twice as much grain was collected in this quarter as in the corresponding quarter of 1925.⁶ In September 1926 Mikoyan, implicitly reversing Kamenev's policy of a reduction of agricultural prices "at all costs", announced that no

¹ *Pravda*, August 3, 1926. For the equilibrium theory, of which Bukharin was a strong exponent, see pp. 794-795 below; for the opposition attitude to prices see pp. 677-680 below.

² The preface was dated August 20, 1926 (*Kontrol'nye Tsifry Narodnogo Khozyaistva na 1926-1927 god* (1926), p. vii) — the date of its submission to STO.

³ See tables, *ibid.* pp. 340-341, 348-351.

⁴ See Table No. 2, p. 940 below.

⁵ *Bednota*, October 3, 1926; November 7, 1926.

⁶ See Table No. 7, p. 943 below.

attempt would be made to buy grain at prices lower than had been reached :

From the commercial point of view it may be advantageous to us to buy grain more cheaply, but, *taking into account the interests of the state as a whole*, we should be against it.¹

Grain prices remained relatively stable in the succeeding months, and nothing occurred to tempt the speculator. The final figure of the grain collections for the agricultural year July 1926–June 1927 was 10.6 million tons against 8.4 millions in the previous year.² The plan had been completely fulfilled for wheat, and 95 per cent fulfilled for rye.³ Not only had more grain been grown and more brought to the market, but a higher proportion of the marketed grain had flowed into the public sector of the economy through the state and cooperative collecting organs. In 1926–1927 the proportion reached 77 per cent.⁴ Prices were also favourable. The average price of the four main grain crops for the year was 93 kopeks a pud, rather higher than the 85–90 kopeks proposed in July 1926, but a substantial improvement on the average price of 1.16 rubles for 1925–1926.⁵ Exports of grain amounted to 185 million puds (3 million tons) against 147 millions in the previous year. The plan had provided for an export of 215 millions ; but, since wheat formed a higher proportion of exported grain than had been expected, the planned value of 275 million rubles was almost reached.⁶

The one unfavourable feature of the harvest was the decline in the so-called “ technical ” crops, which provided raw materials for

¹ *Na Agrarnom Fronte*, No. 9, 1926, p. 8 ; for the replacement of Kamenev by Mikoyan as People's Commissar for Trade see *Sobranie Zakonov*, 1926, ii, art. 151.

² See Table No. 7, p. 943 below ; the agricultural year ran from July 1 to June 30, the economic year from October 1 to September 30.

³ *Na Agrarnom Fronte*, No. 8–9, 1927, pp. 69–71.

⁴ *Planovoe Khozyaistvo*, No. 9, 1927, p. 123 ; according to a later calculation, the proportion of “ planned ” deliveries rose from 69.7 per cent in 1925–1926 to 81.3 per cent in 1926–1927 (*Ekonomicheskoe Obozrenie*, No. 9, 1928, p. 25). Mikoyan gave particularly striking figures for the decline in the proportion of grain taken by private purchasers in August and September 1926 (*Bol'shevik*, No. 19–20, October 31, 1926, p. 82).

⁵ A. Malafeev, *Istoriya Tsenoobrazovaniya v SSSR* (1964), p. 114 ; *Na Agrarnom Fronte*, No. 8–9, 1927, p. 72, gives figures of 84 kopeks and 1.06 rubles respectively. For a calculation of agricultural prices in percentages of 1910–1913 prices see Table No. 33, p. 965 below.

⁶ *Na Agrarnom Fronte*, No. 8–9, 1927, pp. 80–81.

industries: these included cotton, sugar-beet, sunflower seeds, potatoes, hemp and tobacco. At a time when grain prices were rising in the winter of 1925-1926, the prices of these specialized crops were cut.¹ As a result the peasants reduced their sowings of all these crops, and the yield of all of them except sugar-beet was lower in 1926 than in the previous year.² At the fifteenth party conference in October 1926 Rykov accounted for the error on the ground that in 1925 grain prices had seemed all-important, and prices of raw material crops had "somehow escaped public attention"; Yakovlev more plausibly attributed the low prices to "monopolistic perversions" on the part of industrial trusts and syndicates.³ In the following month A. P. Smirnov, the People's Commissar for Agriculture of the RSFSR, told his colleagues from the other republics that the most serious problem of the moment was "the falling off in the cultivation of technical crops".⁴ The underlying cause of these difficulties was the revolutionary process which had broken up large estates, and divided the land on which such crops had formerly been grown among small peasant holders. Smallholders rarely cultivated these crops (except potatoes for domestic or animal consumption, and sunflower seeds); and, where they did so, the shortage of industrial goods impelled them to utilize the product in their own households.⁵ On the other hand, by 1926-1927 a very high proportion of marketable supplies of these products was handled by state or cooperative agencies - 100 per cent of cotton, 96.5 per cent of sugar-beet, 94.4 per cent of flax, and 89.8 per cent of tobacco.⁶ These conditions militated against a generous price policy.

The opposition, faced with a broadly favourable outcome of the official policy, did not immediately lay down its arms. In August

¹ *Ibid.* No. 5, 1927, p. 7.

² *Ibid.* No. 4, 1927, pp. 104-105. In the winter of 1925-1926, the price of sunflower seeds fell to 75 kopeks a pud; it was raised in the autumn of 1926 to 1.25 rubles, but this came too late (*ibid.* No. 8-9, 1927, p. 71). In Central Asia the value of cotton in terms of grain was said to have fallen in 1926 to one-half the pre-war equivalent (*Torgovo-Promyshlennaya Gazeta*, September 17, 1926). According to *Pyatnadtsatyi S'ezd VKP(B)*, ii (1962), 1364, the price of flax was changed five times between 1925 and 1927.

³ *XV Konferentsiya Vsesoyuznoi Kommunisticheskoi Partii (B)* (1927), pp. 123, 201.

⁴ *Pravda*, November 25, 1926.

⁵ *SSSR: Ot S'ezda k S'ezdu (Mai 1925 g.-Aprel' 1927 g.)* (1927), p. 53.

⁶ *Planovoe Khozyaistvo*, No. 9, 1927, p. 123.

1926 Smilga, in an article on the control figures in the organ of Gosplan, wrote of "the equilibrium between town and country." as having been "destroyed in favour of the latter".¹ On September 30, 1926, *Bol'shevik* published an article signed "Maizlin", which constituted a powerful attack on the case for the official line as presented in Bukharin's speech of July 26, 1926. The author detected in the official attitude "an incorrect fear of 'hurting' the peasant by industrialization", noted that Bukharin in his speech had used the words "*kulak*" and "poor peasant" only twice, and accused him of seeking "a link with the *kulak*". Maizlin's main practical prescription was an increase in wholesale industrial prices to finance more rapid industrialization.² This theoretical challenge was accompanied by a revival of active opposition propaganda among the workers, leading in the first half of October 1926 to sharp exchanges between the opposition leaders and the Politburo. But, in the optimistic mood of the moment, opposition criticism fell on stony ground. On October 16, 1926, Zinoviev, Kamenev, Pyatakov, Sokolnikov, Trotsky and Evdokimov, as leaders of the opposition, signed a declaration which, though it avoided any discussion of economic issues, was in effect a document of surrender and an acceptance of the party line. It was immediately published.³ About the same time, a worker named Andreev, formerly associated with the opposition, recanted and reported to the central control commission that the opposition leaders attributed their failure, among other things, to the fact that "the economic situation had not turned out so badly as they expected".⁴

¹ *Planovoe Khozyaistvo*, No. 8, 1926, p. 112.

² *Bol'shevik*, No. 18, September 30, 1926, pp. 103, 108, 110, 117; the article was described in an editorial note as "an illegal document of the opposition distributed among members of the Moscow organization". According to Bukharin (*XV Konferentsiya Vsesoyuznoi Kommunisticheskoi Partii (B)* (1927), p. 594), "Maizlin" was V. M. Smirnov, according to Rykov (*ibid.* p. 128), Smirnov and Pyatakov jointly; in an unpublished article of 1927 preserved in the Trotsky archives, T 874, Smirnov wrote: "With all the basic conclusions of comrade Maizlin I am in complete agreement, and have never declined, and do not intend to decline, *political* responsibility for his article". For the implications of the article for industry and for price policy see pp. 285, 682 below. For Bukharin's speech of July 26, 1926, see pp. 6-7 above.

³ This episode and the declaration, which appeared in *Pravda*, October 17, 1926, will be discussed in a subsequent volume.

⁴ Stalin, *Sochineniya*, viii, 244. The statement of the otherwise unknown Andreev (not to be confused with the trade union leader A. Andreev, who was

The fifteenth party conference, which opened on October 26, 1926, was marked by a general assault on the opposition. Rykov presented a report on the economic situation, in which he depicted industry and agriculture as advancing side by side, and denounced the deviations on both sides which started from the assumption of a conflict between them.¹ The economic debate, in which the opposition refused to participate, presented few features of interest ; and the debate on the opposition, in which Kamenev, Trotsky and Zinoviev all spoke, added little on economic issues. Trotsky admitted that " the economic experience since April has been too small to give us any hope of converting the comrades " who had been deaf to his arguments at that time, and repeated that the *kulak* was growing in strength and the poor peasant declining.² Stalin poked fun at Trotsky's remark at the April session that, in existing conditions, even a good harvest might be an unfavourable factor.³ In Bukharin's estimation, the success of the grain collections had " smashed to atoms the whole philosophy of economic construction preached by the opposition in the past year ".⁴ The economic resolution of the conference rejected the belief of the opposition in " the necessity of carrying out industrialization through such taxation of the countryside and such a price policy as would inevitably bring the development of agriculture to a standstill ", and summarized the results of " the second successive excellent harvest

a member of the party central committee) was reported by Yaroslavsky to the session of the central committee on October 23, 1926, and quoted by Bukharin a week later at the fifteenth party conference (*XV Konferentsiya Vsesoyuznoi Kommunisticheskoi Partii (B)* (1927), p. 598) ; Kamenev's speech at the conference was interrupted by the taunt : " You expected an economic crisis " (*ibid.* p. 467).

¹ *Ibid.* p. 486.

² *Ibid.* p. 506 ; for the discussion at the April 1926 session of the party central committee see *Socialism in One Country, 1924-1926*, Vol. 1, p. 506. In a memorandum written in preparation for the conference, Trotsky declared that " the *kulak*, the small trader, the petty bourgeois is knocking at the door of politics ", and accused the party leaders of " systematic concessions to *kulak* and ' trade-unionist ' deviations " (Trotsky archives, T 3006).

³ Stalin, *Sochineniya*, viii, 290 ; Trotsky's prediction, originally made at the time of the twelfth party congress in 1923, that, if industry remained backward, a good harvest might favour capitalist rather than socialist elements in the countryside, was triumphantly repeated in his open letter of July 12, 1928, to the sixth congress of Comintern (L. Trotsky, *The Third International After Lenin* (N.Y., 1936), p. 249).

⁴ *XV Konferentsiya Vsesoyuznoi Kommunisticheskoi Partii (B)* (1927), p. 598.

of 1926".¹ In agriculture, as in industry, things were on the whole going well. The end of the year 1926 was reached in a mood of unclouded confidence. A decree of the first days of January 1927 providing for the maintenance of a permanent grain reserve to meet future emergencies² reflected the current optimism.

No opportunity was missed of exulting at the expense of the opposition. Bukharin, at the seventh enlarged IKKI in December 1926, made fun of opposition predictions a year earlier of "a *kulak* grain strike"; the grain collections from the 1926 harvest were 35 per cent ahead of those of the previous year. Indeed, "the whole foundation of the main economic theory of the opposition has *collapsed*".³ Mikoyan, in an article which appeared in *Bol'shevik* on December 31, 1926, attempted to dispose of the issue of disproportion by distinguishing between "disproportion in the distribution of productive forces", which was important, and "disproportion in the market *Konjunktur*", which was secondary. He looked forward to a diminution of the goods famine, and taunted the opposition with a desire "to predict, to foretell, to prophesy the worst that can be supposed or imagined about our economy".⁴ Mikoyan displayed the same self-assurance in a report to the Politburo at the beginning of January 1927:

We have achieved a position in which the peasant element, the peasant grain market, is wholly and entirely in our hands; we can at any moment lower or raise grain prices, we have all the levers of action in our hands.⁵

"Little by little", Kirov told the Leningrad provincial party conference in the same month, "we are coming through our economic road-blocks; we have come through even with the peasant who holds up the grain."⁶ Bukharin in a speech to the Moscow provincial party conference triumphantly taunted Kamenev with his remark, on the occasion of the previous year's grain collections, that the *kulak* had "mastered us".

¹ *KPSS v Rezolyutsiyakh* (1954), ii, 297, 302-303; for other aspects of this resolution see p. 288 below.

² *Sobranie Zakonov*, 1927, No. 5, art. 49.

³ *Puti Mirovoi Revolyutsii* (1927), ii, 118.

⁴ *Bol'shevik*, No. 23-24, December 31, 1926, pp. 25, 33.

⁵ Quoted by Kamenev from the unpublished official record in *Pyatnadtsatyi S"ezd VKP(B)*, i (1961), 282.

⁶ S. Kirov, *Izbrannye Stat'i i Rechi* (1944), p. 61.

If our opposition comrades had been right [Bukharin went on], we should have had far greater difficulties to overcome in our this year's grain campaign than last year, the kulak would have made his obstruction of our plans far more keenly felt this year than last.

This had not happened. The truth was that "we have 'mastered' " the *kulak* ; " a guarantee against seasonal raising of prices of agricultural products " had been secured ; " the course of the grain campaign means the collapse of the economic philosophy of our comrades of the opposition ".¹ The mood of confidence persisted for some months. The party journal, discussing the fourth Union Congress of Soviets in April 1927, observed that " the practical struggle for the building of socialism has removed from the agenda talk about the alleged contradiction between industry and agriculture ".² " At the present time ", wrote *Bednota* on May 13, 1927, " the Soviet state has so far mastered the grain market that no untoward contingencies or miscalculations from this quarter can now threaten our plans of construction." It was in this mood that the framers of the Gosplan control figures for 1927-1928 hailed " the stronger control over the grain market ", which " brings nearer the possibility of a complete subordination of grain collection prices to state policy ", and foresaw the approach of the Soviet economy, sharply distinguished in this respect from the capitalist economies, " to a type of development without *Konjunktur*, without trade cycles ".³

The success in collecting the 1926 harvest was generally attributed to two main factors: the increased pressure of the agricultural tax, and the improved efficiency of the state and cooperative purchasing organizations. The agricultural tax had not only been made more progressive, but was levied more promptly; this by common consent stimulated the flow of

¹ The conference was extensively reported in *Pravda* from January 7, 1927, onwards. For Bukharin's speech see *ibid.* January 13, 1927; for the resolution of the conference expressing approval of the official line see *ibid.* January 11, 12, 1927.

² *Bol'shevik*, No. 9, May 1, 1927, p. 9.

³ *Kontrol'nye Tsifry Narodnogo Khozyaystva SSSR na 1927-1928 god* (1928), pp. 233, 443.

deliveries in the autumn of 1926.¹ The improved machinery of collection was perhaps even more effective. The private trader was subjected to severe discrimination in railway tariffs.² A Narkomtorg report named the taking over of private mills as another important factor: by July 1927 one quarter of these were in public hands.³ Complaints were still heard of friction and competition between Khleboprodukt, the state purchasing organ of the RSFSR, and the newly created state organs Ukrkhleb and Kavkhleb, which functioned in the Ukraine and the Caucasus respectively. "Breaches of grain-collecting discipline" were reported. Gosbank, though now theoretically restricted to the function of collecting and storing in its elevators grain already purchased, was alleged to be still financing purchases by private traders. Especially in the south, the representatives of the official organs, state and cooperative, were still outnumbered and outmanœuvred by the multitude of private traders. But these abuses occurred mainly in the first weeks of the harvest; and by September or October 1926 the situation was in hand. The conclusion was drawn that "the rôle of elemental factors, of private capital and of the *kulak* top stratum in the countryside" had turned out to be far less influential than it seemed to some party members.⁴ Less favourable impressions were, however, also recorded. A Narkomtorg report at the end of 1926 drew attention to the continued activity of private capital in the grain trade. Grain was bought in competition with the official collections, especially from the *kulak*; private transport by water was arranged to replace restricted railway transport; grain was ground in private mills; the flour was marketed through private wholesalers and retailers; and the whole transaction was financed on private credits.⁵ Larin, at the fourth Union Congress of Soviets in April 1927, gave an

¹ *Na Agrarnom Fronte*, No. 8-9, 1927, pp. 74-75; by November 15, 1926, tax to the amount of 117 million rubles had been collected against only 67 million by the same date in 1925 (*ibid.* No. 11-12, 1926, p. 43). Smilga noted at the end of September 1926 that the tax was being collected "in a far more concentrated form than last year" (*Vestnik Kommunisticheskoi Akademii*, xvii (1926) 200); for the agricultural tax see pp. 752-755 below. ² See p. 668 below.

³ *Torgovo-Promyshlennaya Gazeta*, July 27, 1927.

⁴ For a detailed description of the collections see *Na Agrarnom Fronte*, No. 11-12, 1926, pp. 44-56; for Ukrkhleb and Kavkhleb see *ibid.* No. 5-6, 1926, p. 22.

⁵ Quoted in Yu. Larin, *Chastnyi Kapital v SSSR* (1927), pp. 292-293.

account of grain grown by *kulaks* in the Volga region, sold to a "capitalist" ring, transported in private ships, and sold in the cities in private shops.¹ The private trader, though he handled only 11 per cent of the grain collections,² still had the lion's share of the market in butter, sunflower seeds and meat, of which only 45, 33 and 7 per cent respectively were handled in 1926-1927 by state or cooperative organs.³

Within the public sector the collections were marked by a decline in the share of state organs and a corresponding increase in that of the agricultural and consumer cooperatives. The cooperative organ *Khlebotsentr*, which was set up on July 1, 1926, proved more flexible than the state organ *Khleboprodukt*. The state collecting points of *Khleboprodukt* were larger than those of the cooperatives, and had most of the elevators, but were generally confined to the more important centres, and unlike the cooperatives handled only grain.⁴ "The heavy machine of the state collections", as one commentator put it, could not penetrate "the blind alleys of the peasant economy".⁵ In 1925-1926 state organs took 70.4 per cent of planned collections of grain, in 1926-1927 63.9 per cent, in 1927-1928 34.9 per cent, and in 1928-1929 26.4 per cent.⁶ The rise of the cooperatives was marred by sharp rivalry between agricultural and consumer cooperatives, both of which participated in the collections. Party directives were hesitant and conflicting. A decision of STO of February 25, 1927, recognized the primary rôle of the agricultural cooperatives; this was reversed in favour of their rivals by a further decision of May 29, 1927, which was, however, said to have been ignored by the

¹ *SSSR : 4 S"ezd Sovetov* (1927), p. 42.

² See Table No. 5, p. 942 below.

³ *Planovoe Khozyaistvo*, No. 9, 1927, p. 123; of agricultural products collected by private traders in 1926-1927, 44.37 per cent were sold to private traders in the towns, 30.28 per cent to state trading organs, 16.64 per cent to cooperatives and 8.71 per cent direct to consumers (*Materialy po Istorii SSSR*, vii (1957), 150.

⁴ *Voprosy Torgovli*, No. 12, September 1928, pp. 62-65; for a list of the state and cooperative organs participating in the collections see G. Neiman, *Vnutrennyaya Torgovlya SSSR* (1935), p. 120.

⁵ Ts. Kron, *Chastnaya Torgovlya v SSSR* (1926), pp. 9-10.

⁶ *Na Agrarnom Fronte*, No. 9, 1929, p. 183. The preponderance of the cooperatives in collections of animal products was higher than in the grain collections: on the other hand, state organs took virtually the whole crop of sugar-beet, cotton and flax (*ibid.* No. 4, 1928, pp. 156-157).

agricultural cooperatives.¹ Whatever the rights and wrongs of the quarrel, the shift from state to cooperative organs was significant in two ways. It showed that peasants were more ready to surrender their grain to cooperative than to state organs; but it also revealed the cooperatives as becoming more and more assimilated to the rôle of state institutions engaged in the execution of public policy.

Had these administrative factors really determined the success of the 1926-1927 harvest campaign, the result would have been a happy augury for the future. The problem of extracting the necessary grain from the peasant seemed to have been met by a sound tax policy and by good organization; it could be solved in the same way in succeeding harvests. This optimistic impression prevailed among the party leaders throughout the year, and was invoked to beat off and discredit the attacks of the opposition. Unfortunately the diagnosis was far from complete. In spite of the outstanding success of the grain collections, the proportion of marketed grain to total yield was far below the pre-revolutionary level.² Even in this year, exceptions occurred to the generally favourable picture. In the Ukraine a campaign of resistance to the official grain collections had started, but petered out.³ In Smolensk province, a deficit was reported on the grain market of 1,800,000 puds of rye and 1,650,000 puds of wheat: in the spring of 1927, under the stress of rumours of possible war, "the population, drawing on the experience of the last war, tried to hoard grain, and surpluses on hand were not put on the market". Cases also occurred of "refusal to deliver grain because of the disadvantageous selling conditions".⁴ But in the main conciliation prevailed on both sides. Two successive good harvests had

¹ *XLI Sobranie Upolnomochennykh Tsentrosoyuzza* (1928), p. 40 — a source biased against the agricultural cooperatives; the STO decisions have not been traced. Narkomtorg figures showed both the increase in the cooperative share of the grain collections and the rivalry between consumer and agricultural cooperatives: in 1925-1926 the former took 16.2 per cent of the grain deliveries, the latter 7.6 per cent, in 1926-1927 the former 21 per cent, the latter 14 per cent (*Voprosy Torgovli*, No. 2-3, November-December 1927, p. 48). Kaminsky's claim of 30 per cent for the agricultural cooperatives at the fifteenth party congress in December 1927 (*Pyatnadtsatyi S"ezd VKP(B)*, ii (1962), 1365) was certainly exaggerated; but the cooperatives as a whole took 65 per cent in 1927-1928 (*Voprosy Torgovli*, No. 6, March 1929, p. 20).

² See Note A, p. 918 below.

³ *Na Agrarnom Fronte*, No. 8-9, 1927, p. 72.

⁴ M. Fainsod, *Smolensk under Soviet Rule* (1958), p. 46.

brought rising prosperity to the peasant. The authorities after the experience of 1925-1926 did not put their demands too high or seek unduly to depress prices. Between the autumn of 1926 and the spring of 1927 more adequate supplies of industrial goods were reaching the countryside, and the campaign to reduce retail prices¹ had enjoyed some success. All these factors had helped to persuade the peasant to part more readily with his grain, though substantial stocks still remained in the hands of the more prosperous.² But none of these conditions provided a precedent for future collections.

The success of the harvest and of the grain collections of 1926-1927, though they rendered the issue less acute, did not stifle the uneasiness felt in party circles over policies favouring so-called *kulak* elements, which had played their part in this achievement; in this respect, the attacks of the opposition served as the conscience of the party. With the new drive for industrial development and planning, the economic atmosphere gradually changed. So long as no crisis occurred in the supply of food and raw material, no drastic revision of policy was in prospect. But the opportunity could be taken to shore up the none too solid socialist sectors of agricultural production. Decrees were issued in March 1927 on the strengthening of the *kolkhozy* and *Sovkhozy*, and in May 1927 on the organization of the agricultural cooperatives.³ Milyutin, the president of the agrarian section of the Communist Academy, wrote in advance of the fourth Union Congress of Soviets in April 1927 an article which, in preaching an increase of agricultural production through better supplies of machines and fertilizers, drew attention to a long-neglected item of party policy:

*The path of collectivization, the path of the cooperatives, is the only path for the transition from small-scale farming to large-scale cultivation.*⁴

At the congress only Mikoyan paused, in spite of the success of the grain collections, to reflect that "grain and the grain problem is

¹ See pp. 687-689 below.

² See p. 24 below.

³ For these decrees see pp. 148, 159-160, 184-185 below.

⁴ *Na Agrarnom Fronte*, No. 3, 1927, p. 4.

the most acute problem in the whole period of the Russian revolution".¹ But the resolution of the congress "On the Fundamental Tasks of Agriculture in Connexion with the Development of the National Economy and the Industrialization of the Country" differed widely in tone from the resolution adopted at the previous congress in May 1925 at the height of the "wager on the *kulak*" and the campaign to encourage free enterprise among the peasantry.² The starting-point was the industrialization campaign; this demanded a more efficient agriculture which could play its part, side by side with industry, in the future development of the national economy. But this policy involved a further principle:

The improvement of the peasant economy and the gradual but inexorable realization of the reorganization of agriculture on a higher technical basis are inseparably linked with the development of cooperative forms of the economy and the growth on voluntary principles of large-scale collective agriculture.

Moreover this line of advance, designed to strengthen and improve the position of the middle and poor peasants, was "bound up at the same time with a limitation on the growth of exploiting (*kulak*) elements".³ Nor did the opposition relapse into silence after its defeat in the last months of 1926. Of the two major issues of principle confronting the party at this time, the first was the phenomenon of "differentiation" among the peasantry, which had divided the party since 1925⁴; the second was the rate of industrialization. On both these issues, the opposition offered a standing challenge to official policy.

The issue of differentiation was closely involved in questions of party doctrine. The Marxist thesis of the division of the peasantry under the impact of capitalism into two distinct categories — the petty capitalist proprietor and the wage-earning

¹ *SSSR : 4 S"ezd Sovetov* (1927), p. 188.

² See *Socialism in One Country, 1924-1926*, Vol. 1, pp. 271-274.

³ *S"ezdy Sovetov v Dokumentakh*, iii (1960), 127; the contrast between this resolution and the resolution of the third congress was specifically pointed out by the deputy People's Commissar for Agriculture of the RSFSR, Svidersky, in an article in *Na Agrarnom Fronte*, No. 5, 1927, p. 5.

⁴ See *Socialism in One Country, 1924-1926*, Vol. 1, pp. 222-224, 236-240.

proletarian — was a product of Marx's study of English rural life, and was a main theme of Lenin's early work *The Development of Capitalism in Russia*, published in 1898. But this was a model for purposes of analysis, not a description of an existing state of affairs. Some successful peasants, especially after the Stolypin reform, attained a status which could reasonably be called "petty bourgeois" or "petty capitalist". *Batraks* dependent solely or primarily on wage earnings could reasonably be called "proletarian". But before, and still more after, the revolution the characteristic figure of the Russian countryside was the "middle peasant", who fitted into neither of these categories, living much too near to the subsistence line to be branded even as a petty capitalist, yet clinging obstinately to the plot of land which was the source of his livelihood. Hence the constant efforts to differentiate this ambiguous figure as "strong" or "weak", as "well-to-do" or "poor". But, in practice, no hard-and-fast line could be drawn between the different categories, and attempts to produce precise definitions of *kulaks*, well-to-do peasants, middle peasants and poor peasants ended in failure.¹ The tension between the need, firmly rooted in party doctrine, to postulate a class division within the peasantry and the impossibility of establishing well-defined distinctions in class terms between different categories of peasant added confusion to every argument.

It was the success of the harvests and the grain collections of 1925 and 1926, achieved through the toleration and encouragement of the well-to-do peasant, which brought this issue once again to the fore. The immediate sequel of the revolution had been a redistribution of land and animals — including land and animals previously held by *kulak* peasants — on a basis of equality; and, though variations occurred in the application of this standard,² there was no doubt that it had left the poor peasant better off, and the well-to-do peasant worse off, than before the revolution. What had occurred since was a partial reversal of this initial process. The practices of leasing land and hiring labour, encouraged by the party central committee and by the third Union Congress of Soviets in April and May 1925,³ and applied in many forms, as

¹ See pp. 127-130 below.

² See *The Bolshevik Revolution, 1917-1923*, Vol. 2, pp. 39-40.

³ See *Socialism in One Country, 1924-1926*, Vol. 1, pp. 256-275.

well as the leasing and hiring of animals and machines, were instruments of differentiation, and represented an encroachment on traditional systems of tenure by the familiar methods of a capitalist economy — even where, as sometimes happened, payment for land or labour was made, partly or wholly, in kind. Evidence points to a widespread increase in these practices in 1926 and 1927, and to many glaring instances of differentiation.¹

The most thorough-going theoretical discussion of differentiation in this period took place at a conference of the Scientific Research Institute of Agricultural Economics, at which the head of the Institute, Chayanov, and two other “Narkomzem professors”, Makarov and Chelintsev — all former SRs, and sometimes referred to as “neo-*narodniks*” — and Kondratiev, head of the *Konjunktur* institute of Narkomfin, read extensive reports.² The three former SRs, true to their ideal of an agriculture based on small, and, as far as possible, equal, family holdings, grudgingly admitted the existence of differentiation, but refined on the concept in a way calculated to suggest that it presented no single or clear-cut problem. Makarov distinguished between the incidence of differentiation in different regions, Chelintsev between large-scale cultivation, which led to the supremacy of the market and to differentiation, and small-scale cultivation, which would “neutralize” market influences and lead to socialism, Chayanov between

¹ For a further discussion of these issues see pp. 132-142 below. The agrarian section of the Communist Academy, which within the limits of the party line was generally anti-*kulak*, published at this time several studies of differentiation in different parts of the Soviet Union (*Na Agrarnom Fronte*, No. 11-12, 1926, pp. 153-162 (North Caucasus); No. 6, 1927, pp. 106-122, No. 7, 1927, pp. 113-138 (Western Siberia); No. 7, 1927, pp. 139-154, No. 8-9, 1927, pp. 179-193 (Ukraine); No. 8-9, 1927, pp. 84-148 (Samara province)).

² The reports were printed, and the discussion reported, in the Narkomzem journal *Puti Sel'skogo Khozyaistva*, No. 4, 1927, pp. 103-132 (Makarov and Chelintsev); No. 5, pp. 109-140 (Chayanov and Kondratiev); No. 6-7, pp. 126-147, No. 8, pp. 103-126, No. 9, pp. 117-133 (other speeches in the debate, mainly in refutation of the main reports). Chayanov was the author of a well-known text-book advocating the “family peasant farm” as the ideal unit (A. Chayanov, *Optimal'nye Razmery Sel'sko-Khozyaistvennykh Predpriyatii*), which appeared in three editions of 1922, 1924 and 1928; in 1929 he announced his conversion to the view that the American machine — the tractor, the combine and the truck — had brought about “a technical revolution in the organization of grain production” comparable to the application of steam power to industry, and had given to large-scale mechanized farming “an overwhelming superiority over all other forms of organization of agriculture” (*Ekonomicheskoe Obozrenie*, No. 9, 1929, p. 39). For Kondratiev see p. 733 below.

four different types of differentiation. Kondratiev, whose views on agriculture in the nineteen-twenties suggested a disciple of Stolypin rather than a *narodnik*, cut through these fine distinctions to the essential character of differentiation :

The fundamental and general prerequisites of the process of differentiation lie in the existence and development of market relations.

The aim was to overcome the primitive inefficiency of a multiplicity of small holdings. The dispute was about the means :

If the growth of collective cultivation could proceed fast enough, if the state disposed of fully adequate means of assistance for lower groups of households, it could of course, without any threat to the productive forces of agriculture, pull the lower groups upward, and entirely prevent the formation of . . . groups of the stronger middle peasants, who are free at any moment to develop in some degree into a small rural bourgeoisie. It must, however, be confessed that the state at the present time does not yet dispose of such adequate resources. . . . We cannot for any length of time remain on the former primitive basis of our agriculture.¹

Though these views were cautiously expressed, a party spokesman who replied to Kondratiev not unjustly accused him of regarding differentiation as "a positive factor for the development of the economy" and of being "a champion of the rural bourgeoisie".² Kondratiev's premises, however, though not his conclusion, were well in line with orthodox party opinion. Nobody could seriously dispute that the most prosperous and most privileged of the peasants were also the best equipped and the most efficient, and that they brought a higher proportion of their grain to the market to feed the towns and factories. It was Kritsman, the most penetrating analyst of differentiation and one of its sternest critics, who wrote that "the well-to-do (i.e. capitalist and on the way to become capitalist) strata in the countryside are, side by side with the collectives, the bearers of progress in agriculture".³ This was the

¹ *Puti Sel'skogo Khozyaistva*, No. 5, 1927, pp. 129, 139.

² *Ibid.* No. 6-7, 1927, p. 129.

³ L. Kritsman, *Rassloenie Derevni* (1926), p. 165 ; the phrase was unfairly quoted in *Na Agrarnom Fronte*, No. 5, 1928, p. 129, in an attempt to depict Kritsman as an apologist for the *kulak*.

practical justification, however carefully veiled in public pronouncements, of the policy of support for the well-to-do peasant. But this policy, as Kondratiev pointed out, meant more differentiation.¹

While the opposition continued to harp on the dangers of differentiation, the party leaders spoke with an uncertain voice. The resolution of the central committee of April 1926 referred to "the inevitable strengthening of the *kulaks* in the present period of NEP" and to "the struggle of *kulak* elements to control the countryside", and drew attention to the problems created by the hiring of labour and the leasing of land.² But the situation was certainly less clear-cut than it appeared to the critics. After the two excellent harvests the countryside as a whole was more prosperous; the poorer peasants shared to some extent in a general advance. Smilga on behalf of the opposition argued, not without reason, that the policy of support for the well-to-do peasant, pursued to its logical conclusion in the growth of petty rural capitalism, would drive the poor peasant from the land and lead to "a flow of refugees from the countryside to the town".³ But this did not yet appear to be happening; and nobody ventured to suggest that this was what an expanding industry would soon require. The session of the party central committee in July 1926, at which the battle with the opposition was joined on other fronts, brushed aside the issue of differentiation, and confined itself to practical policies for the collection of the forthcoming harvest.⁴ Bukharin, in his confident speech to the Leningrad party organization after the session, claimed that the opposition had "terribly exaggerated differentiation". Differentiation in the form in which it occurred in a capitalist economy, and which involved a squeezing out of the middle peasant between the two extremes, was not possible under a régime of the nationalization of the land. He refused to believe that "the picture could have changed sharply in the last two years in the direction of a differentiation of the

¹ Quoted in Zinoviev's article in *Bol'shevik*, No. 13, July 15, 1927, p. 45; for this article see p. 31 below.

² See *Socialism in One Country, 1924-1926*, Vol. 1, p. 327. *Bednota*, in a leading article of April 27, 1926, invited discussion of abuses of the decrees relating to leasing and to the employment of hired labour, but seems to have had little response; the subject may have proved too dangerous to ventilate.

³ *Vestnik Kommunisticheskoi Akademii*, xvii (1926), 200.

⁴ See pp. 5-6 above.

peasantry", and inveighed against "the identification of private capital with the peasantry, *the confusion of a peasant economy with a capitalist economy*".¹ The opposition was once more exposed to the charge of hostility to the peasantry as a whole.

The debate continued discursively and inconclusively. Rykov at the fifteenth party conference in October 1926 denied the existence of differentiation in the countryside "as it was understood in the old days", i.e. the disappearance of the middle stratum of the peasantry.

We have a general rise of all groups in the economy [he claimed], a diminution of the number of households without animals and with little or no sown acreage. All groups of peasant households are moving up. The broad mass of the middle peasant stratum is not only not dissolving, but is growing and acquiring greater importance, as the poor peasant strata, moving upwards on the basis of our policy, take the place of the middle peasantry.

This optimistic picture seemed hardly to be tempered by the passing admission of a process of "proletarianization of a section of the poorest strata of the peasantry and emergence from the well-to-do section of the peasantry of a *kulak* stratum which is becoming more influential, vigorous and active".² A few days later, when the agrarian section of the Communist Academy met to consider a set of "draft principles" of agrarian legislation, one of the speakers made the explicit assumption that "the capitalist elements in our agriculture will develop to a significant degree, and we shall be obliged to proceed in a whole series of questions to the legalization of these phenomena".³ The principal economic newspaper did not deny that the harvest had been a victory for the well-to-do peasant:

All our observers of the February *Konjunktur* stress the fact of the accumulation of the remaining marketable surpluses in the hands of the well-to-do strata in the countryside, which are

¹ *Pravda*, August 3, 1926; for this speech see pp. 6-7 above.

² *XV Konferentsiya Vsesoyuznoi Kommunisticheskoi Partii (B)* (1927), pp. 125-126.

³ *Na Agrarnom Fronte*, No. 9, 1926, p. 102; for this debate see pp. 106-107 below.

still further augmenting their reserves by purchases of grain that comes on the market.¹

A party conference of the Siberian region, reviewing the situation in the spring of 1927, cautiously noted that "the upper strata in the villages are developing more strongly, the middle and lower strata more slowly".² Party opinion was much exercised at this time by the accumulation of stocks of grain in peasant hands. According to the Central Statistical Administration, 360 million puds (nearly 6 million tons) of grain remained in peasant hands after July 1, 1926.³ Sokolnikov, in a discussion at the Communist Academy in September 1926, expected that stocks of grain in the hands of well-to-do peasants would reach 600 million puds (nearly 10 million tons) by the end of the year.⁴ Six months later, at the fourth Union Congress of Soviets, Rykov quoted an official estimate of 700 million puds of grain held by the peasantry, and admitted that the immobilization of this large reserve mainly in *kulak* hands meant that "the tempo of development of the economy is to a significant extent retarded". But he rejected any implication of a contradiction in official policy.⁵

These equivocations did nothing to appease the opposition or to clarify the issue. Mistrust of the rising wealth and influence of the well-to-do peasant was indeed, more than any other single item of economic policy, the cement which held the opposition together. A declaration to the party central committee by 83 members of the opposition in May 1927 asserted that "the differentiation of the peasantry increases at an ever swifter rate", that three and a half million *batraks* played hardly any rôle in Soviets,

¹ *Ekonomicheskaya Zhizn'*, March 23, 1927.

² G. Cleinow, *Neu-Sibirien* (1928), pp. 270-273.

³ According to one estimate, 5 per cent was held by poor peasants, 73.3 per cent by middle peasants, and 21.7 per cent by *kulaks*; according to another, which sought to differentiate the broad category of middle peasants, 4.9 per cent was held by poor peasants, 36.5 per cent by middle peasants, 29.2 per cent by well-to-do and 29.4 per cent by rich peasants (*Statisticheskoe Obozrenie*, No. 2, 1927, p. 43). For a later estimate of stocks of wheat and rye see Table No. 8, p. 944 below.

⁴ *Vestnik Kommunisticheskoi Akademii*, xvii (1926), 204; Sokolnikov told the world economic conference in Geneva in May 1927 that 600-700 million puds of grain were "stored in country districts" (*Report and Proceedings of the World Economic Conference* (Geneva, 1927), i, 121).

⁵ *SSSR : 4 S"ezd Sovetov* (1927), pp. 47-48.

cooperatives or party cells, that insufficient support was given to the poor peasants, and that the fourth Union Congress of Soviets in the preceding month had not said a word about the "fundamental question" of differentiation. "All this weakens our support-points in the village, and makes difficult the alliance of the workers and poor peasants with the middle peasants."¹ Differentiation was still a conspicuous feature of the Soviet countryside, and took many forms. The well-to-do peasant not only hired the labour of the poor peasant, owned more machines and animals than the poor peasant, and reaped larger crops from more and better land; in virtue of this very superiority, he also enjoyed a privileged status which still further enhanced these advantages. When the land was "consolidated", the work was done in such a way as to give the well-to-do peasant the best and most easily workable land.² Agronomists thought it a waste of time to advise poor peasants, and confined their services to the well-to-do.³ It was the well-to-do peasant who most readily secured advances from the credit cooperatives.⁴ Bukharin had no illusions about the rôle of the *kulak* in the Soviet countryside:

The *kulak* has an advantage on his side: cultural-political experience. Many examples could be quoted of the way in which the *kulak*, as the result of this experience, beats down local organizations of *batraks* and poor peasants. This is explained by the weak cultural level of our people in the countryside and the relatively high cultural-political literacy of the representatives of *kulak* strata.⁵

Differentiation in the sense of a division of the peasantry into groups sharply definable by certain recognized criteria was largely mythical, and led to much unprofitable controversy. But differentiation in the sense of a fluid and undefined grading, in which many criteria played their part, into privileged, less privileged and under-privileged strata was a reality inseparable from the basic

¹ The declaration, which will be further discussed in a subsequent volume, is in the Trotsky archives, T 941; a German translation appeared in a pamphlet published in Berlin by the German party opposition, *Der Kampf um die Kommunistische Internationale* (1927), pp. 151-164.

² For "land consolidation" see pp. 227-236 below.

³ *Bednota*, April 13, May 11, 1927.

⁴ See pp. 155-156 below.

⁵ For this speech of Bukharin see pp. 37, 131 below.

conception of NEP — the liberty of the peasant to dispose of the surplus of the produce grown by him to his own advantage. The growing prosperity and strength of the well-to-do peasant as a result of the policies of the past two years could hardly be disputed. The question was whether this result was welcome to party and government or whether it constituted a threat to the authority of the régime and to the future of grain deliveries.

The second major issue confronting the party turned on the rate at which surpluses of peasant production could be made to contribute to the expansion of industry. In pre-1914 Russia industrialization, though extensively financed by foreign investment, already led to severe indirect pressure on the peasant. The prices of the agricultural products which he had to sell were geared to the world market; the prices of the industrial goods which he bought were inflated by a high protective tariff. In the Soviet economy, which could not count on an influx of foreign capital, the attempt to build up a modern heavy industry would involve a programme of large-scale capital investment, maintained over a period of years without any substantial rise in the production of industrial consumer goods. The peasantry, which constituted the vast majority of the population, would be required to supply increasing quantities of agricultural products to the growing towns and industries. If, however, increased taxation, and rising prices, or acute shortages, of industrial consumer goods, imposed too great a strain on the peasant, he would reduce instead of increasing his deliveries of agricultural products, hoard his surpluses, reduce his sowings for the market, and retreat into self-sufficiency. On this delicate issue relations between the régime and the peasantry were to turn. The publication in the spring of 1926 of Preobrazhensky's *Novaya Ekonomika*, which included his paper read to the Communist Academy in August 1924 on *The Fundamental Law of Socialist Accumulation*,¹ confirmed his position as the lead-

¹ For this paper, and for the essay on *The Law of Value in the Soviet Economy*, also originally published in the journal of the academy and included in *Novaya Ekonomika*, see *Socialism in One Country, 1924-1926*, Vol. 1, pp. 202-208. Bukharin reviewed *Novaya Ekonomika* in a long article which ran through several issues of *Pravda* (July 1, 3, 7, 1926; a concluding instalment apparently never appeared), complaining that Preobrazhensky alternately assumed, and abstracted from, the economic environment of the proletarian state; later

ing independent economist of the day, and drove home the uncomfortable character of the underlying processes of industrialization. The same view was expressed as early as May 1926 in a leading article in the party journal :

It goes without saying that industrialization will be carried out at the expense of the countryside, first of all, at the expense of its bourgeois strata, and then also to a certain extent at the expense of the basic mass of the middle peasantry.¹

But this admission, even when tempered by the assurance that there were "certain limits", was scarcely typical of party opinion of the period. Down to the autumn of 1927 party leaders still hoped to finance industrialization mainly through a policy of increased efficiency and reduced costs which would produce the necessary accumulation of reserves, and without putting excessive pressure on the peasant. Stalin in April 1926 observed that the peasant was the ally of the working class, and could not be subjected to "increased pressure" through fiscal and price policies.² Ossovsky, who advocated the raising of industrial prices as a means of enforced extraction of peasant surpluses, was expelled from the party on August 11, 1926³; in the polemics of the period

Bukharin called the volume "the theoretical generalization of all opposition proposals, attitudes, positions, theses etc." (*ibid.* August 3, 1926). A series of articles against Preobrazhensky by various hands was published in *Bol'shevik* in the summer of 1926 (No. 9-10, May 30, 1926, pp. 45-60, 77-85; No. 11, June 15, 1926, pp. 10-16, 52-57; No. 13, July 15, 1926, pp. 9-22) — a rare tribute to his influence. Pokrovsky, the president of the Communist Academy, complained that Preobrazhensky's book was regarded by some as "almost an expression of the views of the academy, though the academy has never had occasion to express any opinion about it" (*Vestnik Kommunisticheskoi Akademii*, xvii (1926), 181). In a postscript to an article published in *Bol'shevik* in March 1927, Preobrazhensky wrote that *Novaya Ekonomika* had been referred to at the session of the party central committee in the preceding month as "the bible of the opposition"; he protested that the views expressed by him were merely his own, and that those of the opposition were recorded elsewhere (*Bol'shevik*, No. 6, March 15, 1927, p. 65). Preobrazhensky was one of the five members of the presidium of the academy (*Vestnik Kommunisticheskoi Akademii*, xvii (1926), 301). The academy was not a party institution, but was attached to the TsIK of the USSR; for its statute, as approved by TsIK on November 26, 1925, see *ibid.* xix (1927), 269-276.

¹ *Bol'shevik*, No. 9-10, May 30, 1926, p. 5.

² Stalin, *Sochineniya*, viii, 142.

³ The expulsion will be discussed in a subsequent volume; for Ossovsky see *Socialism in One Country*, 1924-1926, Vol. 1, p. 317.

Preobrazhensky was frequently bracketed with him.¹ A declaration on the "régime of economy" issued over the signatures of Stalin, Rykov and Kuibyshev on August 16, 1926², once more accused the opposition of a plan to "plunder the peasantry". At the fifteenth party conference in October 1926 both Kamenev and Zinoviev were taunted with sharing the desire of Preobrazhensky, "the theorist of the opposition", to exploit the peasant; and Bukharin described Trotsky's proposal to "plunder the peasantry" as a "gesture of despair" — an attempt to find a way out of an imaginary crisis by an act of "superhuman pressure". Stetsky, a follower of Bukharin, argued that the rejection of "socialism in one country" led inevitably to "a policy of squeezing the peasantry".³

The controversy was inflated for polemical purposes; and an element of demagoguery entered into the argument on both sides. Preobrazhensky, for all his insistence on peasant surpluses as the only source of capital to be invested in industry, never proposed to use against the peasant — even against the *kulak* — any weapons save those of taxation and of the market.⁴ Throughout 1927 both the majority and the opposition were still conducting the argument within the framework of NEP, which rested on the assumption that, while the proletarian state occupied the "commanding heights" and was the source and owner of the capital invested in industry, its relations with the peasantry were conducted through the market and the price mechanism; and this meant that policy must adapt itself to the laws of the market.

¹ For example, by Milyutin in *Vestnik Kommunisticheskoi Akademii*, xvi (1926), 255-256.

² For this declaration see pp. 335-336 below.

³ *XV Konferentsiya Vsesoyuznoi Kommunisticheskoi Partii (B)* (1927), pp. 538, 562, 593, 620.

⁴ Preobrazhensky, in his last published article, appeared to escape the dilemma by invoking the *deus ex machina* of world revolution: "The sum total of these contradictions shows how sharply our advance towards socialism is confronted with the necessity of ending our socialist isolation, not only for political but for economic reasons, and of leaning for future support on the material resources of other socialist countries" (*Vestnik Kommunisticheskoi Akademii*, xxii (1927), 70-71). The opposition declined, however, to follow this line; at the fifteenth party conference, Kamenev asked the question: "Have we in the country the internal resources to raise industry to such a level that the peasantry will not be antagonized by the insufficiency and high price of goods?", and answered it in the affirmative (*XV Konferentsiya Vsesoyuznoi Kommunisticheskoi Partii (B)* (1927), pp. 484-485).

How little the urgency and complexity of this problem were yet realized is shown by the Osvok proposals for agriculture drafted in 1926 and published in the spring of 1927.¹ The agricultural volume forecast that total production for the market in 1930-1931 would still only be 12 per cent above the 1913-1914 level, and that half as much grain would be exported as before the war. No major change in the socio-economic structure of agriculture would take place, apart from such measures as the consolidation of strips; and these would affect only one-quarter of all land in the RSFSR and one-third in the Ukraine.² Both this and other preliminary drafts of the five-year plan prepared in 1926 and 1927 envisaged a substantial reduction in the prices of industrial consumer goods throughout the period of the plan, which would prevent the main burden falling on the shoulders of the peasant.³ It was the crisis of 1927-1928 which finally drove the party leadership and the government to abandon the assumptions and presuppositions on which the argument had hitherto been conducted, and to plunge into policies which, while they looked at first sight like an attempt to outbid the opposition at its own game, were in fact based on a radically different conception of what was economically practicable and desirable.

¹ For Osvok see *Socialism in One Country, 1924-1926*, Vol. 1, p. 340, and pp. 844-851 below.

² *Materialy Osobogo Soveshchaniya po Vosstanovleniyu Osnovnogo Kapitala pri Prezidiume VSNKh SSSR*, Seriya III, ii (1927), 6-7, 16-24, 28-34, 42, 45. The agricultural volume, sub-titled *Perspektivy Razvitiya Sel'skogo Khozyaistva*, was drafted in part by Oganovsky, a leading official of Narkomzem and a former SR, who was named in the preface as one of the three permanent *rapporteurs* on the question and surprisingly described as representing Narkomtorg and Vesenkha. The volume was stated in the preface to have been "to a considerable extent agreed with all interested institutions and government departments except Narkomzem"; it was approved by a commission of Vesenkha in December 1926 (*ibid.* pp. 3-4). According to L. Hubbard, *The Economics of Soviet Agriculture* (1939), p. 77, Oganovsky was "the real head of the Commissariat of Agriculture up to 1928".

³ See pp. 848-849, 856, 864 and Table No. 51, p. 983 below.

CHAPTER 2

THE HARVEST OF 1927

THE first results of the harvest of 1927 gave little ground for special anxiety even to a party harassed by an acute consciousness of the deepening hostility of the capitalist world and by a sharp internal struggle against the united opposition. Early in July 1927 the peasant newspaper congratulated its readers on a prospect presenting "a very different picture from that of last year": the machinery of grain collecting had been simplified, and prices stabilized.¹ The party central committee meeting in the same month described the economic development of the past year as "by and large free from crisis". For the agricultural year just beginning, it counted on an "average (perhaps somewhat smaller than last year) harvest", but reckoned that this would make possible the accumulation of a state grain reserve of 50 million puds (about 820,000 tons): this was evidently based on the assumption that the grain collections would proceed normally. It condemned opposition proposals "directed in substance to the abolition of the new economic policy", and referred to "the demagogic proposals of the opposition . . . for the forcible extraction of grain surpluses in kind".² The situation seemed well in hand. Conciliation of the peasant was still the official line. The Gosplan control figures for 1927-1928, expressed in monetary terms, estimated that grain production would fall very slightly below the level of 1926-1927 (98.1 per cent at pre-war prices or 99.4 per cent in current prices) and the marketable proportion rise by 6 per cent.³ During the quarter July-September 1927 nothing

¹ *Bednota*, July 6, 1927. ² *KPSS v Rezolyutsiyakh* (1954), ii, 375-381.

³ *Kontrol'nye Tsifry Narodnogo Khozyaistva SSSR na 1927-1928 god* (1928), pp. 464-467; according to Mikoyan, Gosplan counted on a marketable surplus of 740 million puds (12.1 million tons), though workers on the spot warned it that no more than 590 millions (9.6 million tons) would be obtained (*XLI Sobranie Upolnomochennykh Tsentrosoyuza* (1928), p. 289). *Ekonomicheskoe Obozrenie*, No. 9, 1928, p. 28, mentions a "control figure" of 11,057,000 tons fixed by STO for the grain collections, and later increased to 11,386,000 tons.

occurred to disturb these expectations: the collections were slightly ahead of those of 1926.¹

Official complacency was sharply challenged by the assaults of the opposition, which had drawn fresh fuel from the worsening of the international situation in the spring of 1927,² and were delivered with growing intensity throughout the summer. Attacks on the alleged pro-*kulak* policy were a staple of the campaign. The Zinoviev section of the opposition, which in view of Zinoviev's own record might have been suspected of a peasant orientation, came into line with an article by Zinoviev himself published in the party journal. It took the form of an attack both on the openly pro-*kulak* policy of Ustryalov and Kondratiev and on the "neo-*narodnik*" group of Narkomzem professors — Chelintsev, Chayanov and Makarov — who regarded individual farming as the key to progress.³ During the summer of 1927 the opposition leaders prepared a "platform", of which Trotsky was the main author, taking issue with the official line both on economic and political questions. Early in September 1927, a request was made to the Politburo to print the platform and distribute it in advance of the forthcoming party congress; and, when this was refused, it was printed and circulated illicitly.⁴ In the section on the agrarian question, heavy emphasis was placed on the consequences of "differentiation":

The *kulak* caste, gradually emerging from this mass [of peasant households] is repeating the process of primitive

¹ See Table No. 7, p. 943 below.

² This will be discussed in detail in a subsequent volume; see also p. 293 below.

³ *Bol'shevik*, No. 13, July 15, 1927, pp. 33-47. For Ustryalov see *Socialism in One Country, 1924-1926*, Vol. 1, pp. 56-57, 300, 301; for Kondratiev and the neo-*narodniks* see pp. 20-21 above. An editorial note appended to the article pointed out that the argument against Kondratiev, though in the main correct, was not new; that the importance of the so-called "*kulak* party" was exaggerated; that "the energetic struggle" already waged by the party against such tendencies was ignored; and that the opposition itself was implicated in the "*kulak* deviation". The article was interpreted by some as an attempt to dissociate the Zinovievite wing from any compromising entanglement with the views of Sokolnikov (*Sotsialisticheskii Vestnik* (Berlin), No. 15 (157), August 1, 1927, p. 14). For Sokolnikov's attitude see *Socialism in One Country, 1924-1926*, Vol. 2, pp. 67-68.

⁴ Trotsky archives, T 1007; this episode will be discussed in a subsequent volume. The platform was published in English translation in L. Trotsky, *The Real Situation in Russia* (n.d. [1928]), pp. 23-195; this version has been used below.

accumulation of capital, digging a broad mine under the socialist position.

But the practical measures proposed were not novel: measures to protect, aid and organize the poorer peasants in their struggle against the *kulaks*; "more rapid development of collective farming" through the creation of Sovkhozy and kolkhozy; and "a sharply progressive tax system" designed to free from taxation "40 to 50 per cent of the poorest peasant families".¹ Conditions were more favourable to the opposition than at any moment during the past two years. The shortages which had made themselves felt in the summer of 1927 became chronic in the autumn,² and could no longer be shrugged off. The official policy was beginning to break down.

The opposition had struck at a sensitive spot. The turn towards industrialization and planning had been accompanied, ever since the fourteenth party congress of December 1925, by a growing reaction in party circles against the favour shown to the well-to-do peasant.³ Though the party leaders, and especially Bukharin, continued to plead that the opposition exaggerated the danger, they could not in the long run lag behind the opposition in denouncing the *kulak*. The party central committee in its resolution of August 9, 1927, had named "the maximum limitation of the exploiting tendencies of the *kulak*" as part of a policy of "the all-round strengthening of the growth of socialist elements in the whole national economy".⁴ Bukharin was chosen to launch a new campaign for "a reinforced (forsirovannoe) offensive"⁵ against the *kulak*. The occasion was a Moscow provincial trade union congress. Towards the end of a long speech on October 12, 1927,

¹ L. Trotsky, *The Real Situation in Russia* (n.d. [1928]), pp. 35, 67-72; the Democratic Centralists also issued a "platform" in the summer of 1927 attacking the official policy as pro-*kulak* (*Pyatnadtsatyi S"ezd VKP(B)*, ii (1962), 1640, note 164).

² See pp. 699-700 below.

³ See *Socialism in One Country, 1924-1926*, Vol. 1, pp. 314-317. According to a German-American visitor to the German autonomous Volga republic in 1927, many Germans from the area had recently left for Germany "because of measures taken against the more wealthy peasants, which were especially hard for the German farmers who formed a very important element of the *kulak* class" (A. Noé, *Golden Days of Soviet Russia* (Chicago, 1931), p. 153); this suggests that an effective campaign against the *kulak* had already begun in some regions in 1927.

⁴ *KPSS v Rezolyutsiyakh* (1954), ii, 373.

⁵ The need to "force (forsirovat)" industrial production or industrialization had been a common theme for more than a year (see p. 277 below).

Bukharin argued that, in view of the progress achieved in all fields since the fourteenth party congress, and of the strengthened link with the middle peasant, "*we can now make a turn towards pressure on the kulak and on bourgeois elements in general*", and went on to advocate "*a reinforced offensive against capitalist elements and, first of all, against the kulak*".¹ A solemn manifesto in celebration of the tenth anniversary of the revolution, read by Rykov at the opening of the session of the TsIK of the USSR on October 15, 1927, and adopted by acclamation,² announced that the proportion of peasant households exempt from agricultural tax would be increased from 25 to 35 per cent;³ and a resolution of the same session prescribed measures "to guarantee the further growth and cooperative organization of poor and middle peasant farms, and the systematic limitation of the exploiting tendencies and growth of *kulak* elements".⁴

By this time the first signs of an impending calamity had begun to manifest themselves in the grain collections. A slight falling off in September was followed by disastrously low figures for each of the three succeeding months.⁵ But the mood of optimism about grain supplies which had reigned for more than a year could not be dissipated overnight. The leaders were too preoccupied with the struggle against the opposition to give much attention to more mundane questions; and to admit at this moment unfavourable facts pointing to a bankruptcy of official policy was politically and psychologically impossible. Mikoyan, who seems to have been more sensitive than the other leaders to what was happening, anxiously predicted early in October 1927 that the grain situation would be righted by the middle of the month; a little later a Narkomtorg official gave an assurance that it was unlikely to

¹ The speech was published in full in *Pravda*, October 16, 18, 1927, and in a separate pamphlet, N. Bukharin, *K Desyatiletiiu Oktyabr'skoi Revolyutsii* (1927); from the account given by Kalinin in *Pyatnadsatyi S"ezd VKP(B)*, II (1962), 1230, it is clear that Bukharin was acting on a mandate from the Politburo.

² *2 Sessiya Tsentral'nogo Iсполnitel'nogo Komiteta Soyuza SSR 4 Sozyva* (n.d. [1927]), pp. 34-48.

³ *Id.*: *Postanovleniya* (n.d. [1927]), p. 15; for this manifesto, which was first published in *Pravda*, October 16, 1927, see also p. 496 below. For the agricultural tax see pp. 755-756 below.

⁴ *2 Sessiya Tsentral'nogo Iсполnitel'nogo Komiteta Soyuza SSR 4 Sozyva*: *Postanovleniya* (n.d. [1927]), p. 20.

⁵ See Table No. 7, p. 943 below.

deteriorate further.¹ Goldenberg, one of Bukharin's "Red professors", argued that any difficulties were seasonal and transitory, and that food supplies were already improving.² In these conditions of false security preparations began to be made for the fifteenth party congress which was due to meet early in December 1927, and was destined to prove a decisive battleground in the struggle against the opposition. Draft theses for the congress in the name of Molotov on work in the countryside, and in the joint names of Krzhizhanovsky and Rykov on the five-year plan, were as usual submitted in advance to a session of the party central committee; this opened on October 21, 1927. Molotov's theses took due account of the new slogan by demanding "a further strengthening of *planned* action on the peasant economy and a more decisive offensive against the *kulak*", and diagnosed "a decisive break-through in the direction of the isolation of the *kulak*".³ The theses on the five-year plan spoke of "the possibility of a transition to a further, more systematic and persistent, limitation of the *kulak* and private trader", and of the "offensive against the *kulak*".⁴ Nothing here suggested any immediate crisis, or any new or sensational departure in economic policy. The opposition submitted counter-theses to Molotov's theses. These described the official line as "a revision of Leninism in the peasant question"; quoted statistics to prove the growth of the *kulak* danger; alleged that the prevalence of leasing "undermines the foundation of the nationalization of land"; and attacked the predominance of well-to-do peasants in the cooperatives and the neglect of the poor peasants, as well as of Sovkhozy and kolkhozy. A forced grain loan of 150-200 million puds of grain was proposed; it was estimated that this amount could be extracted from the well-to-do 10 per cent of peasant households.⁵ The official theses on the five-year plan were circulated only a few hours before the

¹ *Torgovo-Promyshlennaya Gazeta*, October 5, 26, 1927.

² *Pravda*, October 30, 1927, *Diskussionnyi Listok*, No. 1.

³ *KPSS v Rezolyutsiyakh* (1954), ii, 416, 425.

⁴ *Ibid.* ii, 400, 406; both sets of theses were originally published in *Pravda*, October 25, 1927.

⁵ The counter-theses were published in *Pravda*, November 5, 1927, *Diskussionnyi Listok*, No. 3, under the title "Counter-theses of the Trotskyite Opposition on Work in the Countryside"; a footnote in small type explained that "the Trotskyite authors call this document of theirs 'theses of the Bolshevik-Leninists (opposition) for the fifteenth congress'".

central committee met, and the opposition had no time to present counter-theses.¹

The session opened on October 21, 1927, in a tense and embittered atmosphere. Relations with the opposition had now reached breaking point, and the central committee had on its agenda, in addition to resolutions approving the official theses for the fifteenth congress, a resolution to expel Zinoviev and Trotsky from the committee.² Smilga, speaking on the economic question, attributed the difficulties of the grain collections to the growth of differentiation in the countryside and to the incipient currency inflation, and spoke of "*immense queues* for flour and for main articles of workers' consumption in the capitals and in large industrial proletarian regions". But the latter part of his speech, and that of Evdokimov who followed him, were constantly interrupted.³ Trotsky's speech in reply to the proposal to expel him and Zinoviev from the central committee was shouted down, and only fragments were heard. In a version subsequently published as he had intended to deliver it, he contemptuously dismissed "today's shrieks about a *reinforced offensive against the kulak*, who yesterday was being exhorted to enrich himself", and refused to believe in any serious change in the official line.⁴ On October 23, 1927, the official theses were adopted for presentation to the congress, and Zinoviev and Trotsky were expelled from the central committee.

Three days later, Bukharin delivered a speech to the party organization in Leningrad which still breathed the same spirit of complacent optimism which he had displayed during the past two-and-a-half years. He taunted the opposition with the failure of its predictions of economic difficulties :

Because everything has turned out as the opposition did not predict, for that very reason it exhibits this hysterical rage at the non-fulfilment of its hopes.

¹ Smilga complained of this in his speech at the committee (see below).

² These issues will be discussed in a subsequent volume.

³ The speeches with the interruptions were printed in *Pravda*, October 30, 1927, *Diskussionnyi Listok*, No. 1 ; see also pp. 870-871 below.

⁴ The truncated version was printed in *Pravda*, November 2, 1927, *Diskussionnyi Listok*, No. 2 ; the prepared text was published in an English translation in L. Trotsky, *The Real Situation in Russia* (n.d. [1928]), pp 3-19.

Far from having run into a dead end, the party had achieved "political pacification in the countryside", which had economic as well as political foundations. Bukharin again described the *kulak* as "our principal enemy", and attempted to define what was meant by a "reinforced offensive" against him. This included progressive taxation; prohibition of the buying, selling, giving or willing of land; limitation of the length of leases; curtailment of the formation of *otrubs*, in so far as they were "of a *kulak* type"; and strict application of the labour code. Bukharin also wished to deprive *kulaks* of the right to vote in the *mir*. But he issued the warning that "we cannot proceed to a reinforced offensive against capitalist elements in the countryside *if we do not have the middle peasant with us*".¹ This, too, seemed to promise no drastic change. Shortly afterwards, the opposition completed its belated counter-theses on the five-year plan. The falling-off in the grain collections was just becoming apparent; the shouting down of the opposition speakers at the central committee had created fresh bitterness and resentment; and the tone of the document was sharper and more polemical than that of the earlier counter-theses. The vaunted "offensive against the *kulak*" was dismissed as plagiarism: "the majority of the central committee copies from the platform of the opposition the slogan of pressure on the *kulak* and the *nepman*". The main theme was summed up in a section headed "Official Optimism is an Aid to the Enemy":

Capitalism in the countryside is growing absolutely and relatively, and every day sees an increase in the dependence of the Soviet state and its industry on the raw material and export resources of the well-to-do and *kulak* sector of the countryside. . . . Since the end of September the position on the grain market has begun noticeably to deteriorate. The collections are falling, and at the present moment are approximately 10 per cent below those of last year.²

Demonstrations by the opposition on the occasion of the tenth anniversary of the revolution led to the expulsion of Trotsky and

¹ The speech, originally published in *Pravda*, November 4, 1927, was reprinted in N. Bukharin, *V Zashchitu Proletarskoi Diktatury* (1928), pp. 201-260; for the passages quoted see pp. 207-208, 229-230.

² These counter-theses were published in *Pravda*, November 17, 1927, *Diskussionnyi Listok*, No. 5, with the same footnote as had been appended to the earlier counter-theses (see p. 34, note 5 above).

Zinoviev from the party on November 14, 1927.¹

The fifteenth party congress, like its predecessor in 1925, was preceded by a Moscow provincial party congress which served as a dress rehearsal for the major event. This met from November 20 to 28, 1927, and was lavishly reported in *Pravda*. Bukharin's main report was devoted to a slashing attack on the opposition; and the resolution on his report "wholly and entirely" accepted Molotov's theses for the major congress on work in the countryside.² On the last day but one of the congress, Bauman, the secretary of the Moscow provincial party organization, read a separate report on agriculture. After quoting and approving Molotov's announcement of "a more decisive offensive against the *kulak*", he indulged in a brief digression on the importance of milk, grass and vegetables in the economy of the Moscow province, and suggested that, as Moscow was on its way to become the "Soviet Manchester", the Moscow countryside might be transformed into a "socialist Denmark". Otherwise Bauman closely followed the party line, conjuring up a picture of "a countryside which has acquired complicated machines as collective property, and is making the transition to the collective ploughing of the land, collective threshing of grain and the construction of collective buildings". All this was contemplated as the work of the next five or six years. Though the naming of a definite and comparatively brief period was a significant symptom, no sudden change was implied in the slogans of "the socialist reorganization of agriculture" and "the building of a socialist countryside" with which Bauman ended his speech. The theses submitted by him and adopted in principle by the congress declared it indispensable "to establish a decisive planning principle of the socialization of the individual productive processes of whole villages, transforming the whole village into a single productive cooperative".³ The tenth Ukrainian party congress which met in Kharkov at the same

¹ These events will be further discussed in a subsequent volume.

² Bukharin's report and concluding remarks are in *Pravda*, November 23, 24, 26, 1927, the resolution *ibid.* November 23, 1927.

³ The proceedings were reported in *Pravda*, November 29, 1927; for Bauman's speech of November 27, 1927, see *ibid.* December 1, 1927. The passage from the theses was quoted at the sixteenth party conference in April 1929 (*Shestnadtsataya Konferentsiya VKP(B)* (1962), pp. 367, 805, note 230; the published proceedings of the congress have not been available).

time as the provincial congress in Moscow proclaimed that "the successful development of agriculture can be achieved only by way of a further development of cooperatives and of the collectivization of agriculture", and demanded measures for "the systematic limitation of the exploiting ambitions of the *kulak*".¹

The fifteenth party congress finally met on December 2, 1927, amid growing anxiety over the grain collections. If October had produced only two-thirds of the previous year's total, November yielded less than one-half.² But the first reports seemed to make little impact. No eagerness was felt to publicize a miscalculation whose dimensions were not yet fully realized, and which could serve only to strengthen the hand of the critics. The main business of the congress was to complete the rout of the opposition, and to proclaim the unity of the party. Stalin in his general report to the congress described the rate of growth in agriculture as inadequate, and argued that the only solution was "a transition to the collective cultivation of the soil on the basis of a new and higher technique". He did not specifically mention the grain collections, but referred to "the elements of a goods famine" as an inevitable "debit side" of the policy of industrialization, and expected these "elements" to persist "for the next few years".³ Kaganovich, who followed Stalin, brushed aside current difficulties as "inevitable in so huge a work of construction as ours".⁴ Rykov, in his report on the five-year plan, attributed the difficulties of the grain collections to "the scarcity of industrial goods", and optimistically thought that the shortages would decrease. Mikoyan was the only speaker in the debate who openly and frankly discussed the failure of the grain collections. Referring to the war alarms of the summer, he observed that "*we lived through eve-of-war economic difficulties without actually having a war*". Mikoyan thought it necessary to increase supplies of goods to the countryside "even at the expense of a temporary (for some months) starvation of markets in the towns". He also wanted a campaign to increase sowings of grain, and looked back to the sowing committees of 1920 — an unusual reversion to the days of war

¹ *Kommunisticheskaya Partiya Ukrainy v Rezolyutsiyakh* (1958), pp. 411-412.

² See Table No. 7, p. 943 below.

³ Stalin, *Sochineniya*, x, 303-305, 309-310.

⁴ *Pyatnadtsatyi S"ezd VKP(B)*, i (1961), 148.

communism.¹ When Rykov replied to the debate, he was less evasive than in his original report :

A gap in our debate has been the absence of sufficient attention to questions of this year's *Konjunktur*. . . . The fundamental difficulty in the economic situation at the present moment concerns not the whole exchange of goods between town and country, but only a part of it — the grain collections. But this partial difficulty can grow into a general economic crisis.

Rykov had nothing concrete to propose beyond the inclusion in the five-year plan of “ *supplementary measures to develop the cultivation of grain* ”² ; and Molotov, in his report on work in the countryside, left out of account a problem which had scarcely appeared on the horizon when his theses were drafted nearly two months earlier. While, however, the congress made a perfunctory and irresolute approach to the problem of the grain collections, it registered a certain change of atmosphere in its approach to agriculture, bringing to light new aspects of policy which had matured during the past year.

In the first place, agriculture was now treated specifically within a framework of industrialization, and an attempt was made to subject it to the processes of planning. Before the end of 1927, the spectacular advance of industry had shown up the backwardness of agriculture as a serious impediment to further progress. The recognition of planning by the congress as a central factor in the Soviet economy enforced consideration of the relation of agriculture to the planning process. Ever since Rykov had poked fun at the idea of planning for harvests which were at the mercy of “ a shower of rain ”,³ the recalcitrance of agriculture to planning had been a familiar topic. It was impossible to estimate in advance the behaviour of 25 million households ; “ backward and impoverished ”, remarked Kaminsky at the congress, “ our peasant household turns with the greatest ease to natural forms of economy ”.⁴ The resolution of the congress on the five-year plan found the

¹ *Ibid.* ii, 1094-1095, 1098 ; for the sowing committees see *The Bolshevik Revolution, 1917-1923*, Vol. 2, pp. 171-172.

² *Pyatnadsatyi S"ezd VKP(B)*, ii (1962), 1164-1165.

³ See *The Interregnum, 1923-1924*, p. 126.

⁴ *Pyatnadsatyi S"ezd VKP(B)*, ii (1962), 1364 ; for Kaminsky see p. 146, note 4 below.

principal obstacle to planning in "the fundamental disproportions of our economy", in particular, "the disproportion *between industry and agriculture*".¹ While the remedies in sight fell short of the diagnosis, the consciousness registered by the congress of the vital place of agriculture in economic planning would never again be lost to view. The peasant represented the element in the economy most adverse to planning; yet his deliveries of agricultural products were vital to industrialization. It was a condition of the success of planning that unplanned peasant agriculture should be brought under the planned control of the central authorities.

The second important innovation was the "more decisive offensive against the *kulak*" announced in Molotov's theses on work in the countryside. The offensive represented a turning-away from the conciliatory attitudes adopted since the introduction of NEP, or more specifically since the "Face to the Countryside" campaign of 1924, and the toleration of the well-to-do peasant preached in the following year. But its rôle at the congress itself was equivocal. While giving the new slogan its full value, it was necessary to distinguish it from past denunciations by the opposition of an allegedly pro-*kulak* policy; and this necessity introduced a certain element of moderation into official pronouncements on the question. Stalin in his general report to the congress avoided any direct attack on the *kulak*, and criticized those who thought it possible and necessary "to make an end of the *kulak* by way of administrative measures, through the GPU". This would be "an easy method, but far from effective". Though administrative measures were not excluded, the main weapons against the *kulak* must be economic; Stalin did not further elaborate the point.² Molotov turned the edge of his criticism more sharply against the *kulak*. Rising agricultural production in present conditions, he declared, "represents a growth of the pro-

¹ *KPSS v Rezolyutsiyakh* (1954), ii, 455.

² Stalin, *Sochineniya*, x, 311. The same argument had been heard on the eve of the congress from A. P. Smirnov: "The historically conditioned individualist tendencies of the peasant economy and *kulak* exploitation cannot be overcome by administrative measures alone, but first and foremost by special attention to cooperative production and to collective forms of production" (*Pravda*, November 30, 1927, *Diskussionnyi Listok*, No. 9). Bakaev in his speech for the opposition at the congress made much of Stalin's failure to mention "the reinforced offensive against the *kulak*" (*Pyatnadsatyi S"ezd VKP(B)*, i (1961), 373-375).

ductive forces of a market economy, and this in turn inevitably breeds a growth of capitalist elements in the countryside". While, however, party policy was directed to a rise in production, it was "indissolubly bound up with constant, systematic and ever stronger measures to limit the growth of capitalist elements"; this limitation must be achieved "by various ways and means". But he, too, pleaded guilty on behalf of the party to "a colossal number of follies and scandalous things", and explained that "*persuasion plus encouragement*" was "our method of collectivizing the countryside".¹ Rykov, in his report on directives for the five-year plan, was constrained to recognize the need for a "forced transfer" (*perekachka*) of resources from the peasantry for the benefit of industry, and admitted that "for a certain time we must consent to certain privations".² Bukharin remained silent on economic questions at the congress. But Kalinin, long the licensed champion of the peasant, explained that Bukharin, when he spoke of "a reinforced offensive" against the *kulak*, had meant something very different from the opposition demand for "a forced loan" and "forced exaction of grain"; this was reminiscent of war communism. What Bukharin wanted was "the destruction of the ground out of which the *kulak* grows".³ Yet, these qualifications notwithstanding, the fact remained that, at the moment of the final defeat of the opposition, the mounting of "an offensive against the *kulak*" had received the highest party sanction.

Finally, all agricultural policies canvassed by the fifteenth party congress — the drive for higher productivity, the call for planning, the launching of the offensive against the *kulak* — met in the demand for the collectivization of agricultural production.

¹ *Ibid.* ii, 1189, 1194, 1210. Molotov added: "We can permit of no illusion, no coercion in regard to the peasantry in the transition to large-scale cultivation" (*ibid.* ii, 1212); nearly three years earlier, at the height of the "wager on the *kulak*", he had referred to "poor peasant illusions about the collectivization of the broad peasant masses" (*Pravda*, May 9, 1925). Radek in a memorandum of June 1928 in the Trotsky archives, T 1780, alleged that Molotov at the fifteenth congress had played down the offensive against the *kulak*. The resolution on the five-year plan also recognized "a possible further growth of private capitalist elements in town and country" (*KPSS v Rezolyutsiyakh* (1954), ii, 454).

² *Pyatnadtsatyi S"ezd VKP(B)*, ii (1962), 868, 870.

³ *Ibid.* ii, 1229-1230.

This was the nerve-centre of every agricultural crisis and of every debate on agricultural policy. The issue was commonly discussed, and arguments justified, in terms of party doctrine. But, while doctrine on this question was cogent and apposite, it was the hard facts underlying both the doctrine and the current crisis which provided the driving-force of the campaign for collectivization. By 1925 what could be achieved by a spontaneous revival of agriculture from the ravages of revolution and civil war had been completed ; and further progress depended on a decisive reversal of the trend towards the small unit of production which had set in with the revolution.

Here the *kulak* re-entered the picture. Even though the choice between the wager on the well-to-do peasant and the processes of collectivization could be represented as a choice between capitalist and socialist solutions of the problem, the practical advantages of the former seemed irrefutable. Few collective farms had proved either popular or efficient. As Shlikhter, People's Commissar for Agriculture of the Ukrainian SSR, later recalled :

Attacks on collectivization amounted to the argument that collectivization would not solve the grain problem quickly enough. The question was put in this form : better the bread-in-the-hand of *kulak* grain than the will-o'-the-wisp of collectivization in the skies.¹

This was the policy of which Bukharin became the chief spokesman in 1925. But by 1927 this policy, too, had begun to wear thin. It had been sharply assailed by the opposition, with secret sympathy from many who remained professedly loyal to the party line, on the ground that it placed wealth and power in the hands of elements fundamentally hostile to the Soviet régime, and that it widened the rift between the agricultural-capitalist and industrial-socialist sectors of the economy. Now the situation had been aggravated by the disaster of the grain collections : those who held the grain refused to deliver it. " NEP Russia was on its death-bed ", remarked an acute foreign observer of these events ; " the Soviet world had come off the rails, and heroic means were needed to right it ".² At the fifteenth party congress Molotov recognized that, as things stood, " the advantage of the larger scale of pro-

¹ *Shestnadtsataya Konferentsiya VKP(B)* (1962), p. 304.

² A. Ciliga, *Au Pays du Grand Mensonge* (1938), p. 36.

duction lies in practice on the side of the well-to-do peasant and the *kulak*”, whose productivity was from one-and-a-half to two-and-a-half times as great as that of the small holding. The poor or middle peasant, on the other hand, was “in a position from which there is virtually no way out”. Letters from peasants — “so far not numerous”, Molotov admitted — had been received at the office of the peasant journal *Bednota*, of which he summarized the content as follows :

Take our land, organize large estates, and put us in the position of workers. We have had enough of the struggle with our tiny holdings.¹

A leading article in the peasant newspaper, commenting on Molotov's report, declared that the only path for the middle or the poor peasant was the path which led “from fragmented small holdings to large-scale socialized farming”.² The resolutions of the congress foresaw that the rapid development of heavy industry would “promote the transformation of agriculture on the basis of a higher technique and collectivization of the economy”, described the current crisis in agriculture as “a struggle between socialist and capitalist tendencies”, and endorsed “the plan of Lenin, according to which socialist industry will lead the small peasant economy, through the cooperatives, on the road to socialism by transforming individual scattered production units . . . into a large-scale socialized economy on the basis of modern technique (electrification etc.)”.³ If these doctrines contained nothing specifically new, the conditions in which they were enunciated by

¹ *Pyatnadsatyi S'ezd VKP(B)*, ii (1962), 1195-1197 ; Osinsky also argued that “the countryside, its lower strata, wants to travel the new road, but needs people who can help the poor and middle peasant sector of the countryside to organize itself” (*ibid.* ii, 1352). This opinion, which was widely held in the party, appears to have rested on an overestimate of the number of peasants who thought on these lines.

² *Bednota*, December 17, 1927.

³ *KPSS v Rezolyutsiyakh* (1954), ii, 457, 473-475. A further paragraph describing “the unification and transformation of individual peasant holdings into large collectives” as “the fundamental task of the party in the countryside”, while stipulating that this could be done only with the consent of the “toiling peasants”, was added at the congress, this and a passage calling for support for communes, *artels* and *TOZy* (see p. 167 below), being the only amendments made to the original theses : they were adopted without discussion at the last session (*Pyatnadsatyi S'ezd VKP(B)*, ii (1962), 1419-1421). For the original text of the passage see *KPSS v Rezolyutsiyakh* (1954), ii 421 ; for Lenin's “cooperative plan” see Note B, pp. 920-924 below.

the supreme party organ gave them a new significance, and made the congress a landmark in agrarian policy.

The plan to launch a campaign against the *kulak*, registered in the speeches and documents of the fifteenth party congress, was called into play more quickly than anyone expected by the course of events. Any connexion between the decisions of the fifteenth congress and the "extraordinary measures" adopted early in 1928 was indeed officially denied;¹ and some of the measures were later denounced as abuses. But the congress had set the tone, and many of those who applied the measures certainly believed themselves to be carrying out the prescribed "offensive against the *kulak*". The month of the congress deepened the fiasco of the grain collections, and made it impossible for the most complacent to ignore it. For each of the normally bumper months of November and December, the collections in 1927 were less than half of those of the previous year.² The eastern regions had, it was noted, done worst "in spite of the fact that in the present year the majority of eastern regions have had a good harvest".³ What confronted the authorities was no longer a crisis of production, but a refusal of producers to deliver the grain which they held. The explanation of the phenomenon was far from clear. But one element in it was the increased prosperity of the peasant. During the past two years, the incomes of the peasantry had risen greatly, as a result partly of the good harvests and of higher prices for their products, and partly of a substantial increase in peasant earnings from temporary employment in the cities, especially in the building industry, an increase which was in itself due to the development of industrialization.⁴ Apart from substantial reserves of grain from

¹ An editorial note appended to an article by Kritsman in *Pravda*, July 7, 1928, reproved the writer for connecting the two.

² See Table No. 7, p. 943 below.

³ *SSSR : Svochnye Materialy o Deyatel'nosti Soveta Narodnykh Komissarov i Soveta Truda i Oborony za I kvartal (Okt'yabr'-Dekabr') 1927-1928 g.* (1928), p. 56. According to G. Konyukhov, *KPSS v Bor'be s Khlebnymi Zatrudneniyami* (1960), p. 65, the black spots were Siberia, the Volga regions and the North Caucasian region; in the Central Black-Earth region the grain collections for the last six months of 1927 actually exceeded those for the last six months of 1926.

⁴ It was estimated that from August to October 1927 peasants earned 300 million rubles in industrial wages as compared with only 120-140 millions in

the last two harvests,¹ peasant holdings in cash were estimated to have risen from 292 million rubles in the spring of 1927 to 450 million rubles on December 1, 1927, reaching an average of 17·6 rubles per household.²

Increased prosperity gave the peasant a new sense of independence. Few Russian peasants had ever lived far above a poor subsistence level; in the past ten years many of them had been exposed to hunger or to the imminent danger of hunger. Government, or the towns in general, were a remote, and potentially hostile, element in their existence. They had seen money become worthless. Grain was the one commodity familiar to them which had retained and increased its value. In order to override a natural propensity in the peasant to hoard his grain, compulsion, or some extremely powerful alternative incentive, was required. After the harvest of 1927 tax pressures were less effective than in the previous year. The well-to-do peasant could afford to pay his taxes in cash out of his savings, and to hoard his grain as an insurance against future needs or as a speculation on higher prices next spring.³ The succession of good harvests from 1925 to 1927 led to fears that the next harvest would be bad, and these fears increased the propensity to hoard, or perhaps provided a rationalization for it.⁴ The ability to hoard was of course greatest among the more prosperous peasants and in the more prosperous areas; the regions where the failure of the grain collections was most apparent were those with a high proportion of larger holdings and

the same period of the previous year (*Na Agrarnom Fronte*, No. 4, 1928, p. iv). Except in the black-earth zone, the non-agricultural earnings of the poorest group of peasants were already estimated in 1926-1927 to exceed their earnings from agriculture (*ibid.* No. 7, 1927, p. 162); Bukharin in his *Notes of an Economist* of September 30, 1928 (see pp. 89-90 below) alleged that "almost half the income of the peasantry is at present derived from sources other than agriculture".

¹ See p. 24 above.

² *Ekonomicheskaya Zhizn'*, February 4, 1928.

³ For the *kulak* habit of holding back grain till the spring see *Socialism in One Country, 1924-1926*, Vol. 1, pp. 294-295; a table in *Na Agrarnom Fronte*, No. 5, 1929, p. 29, showed that the smaller holdings sold most grain in the October-December quarter when the harvest had just come in, the larger holdings in the July-September quarter when grain was scarcest on the eve of the new harvest.

⁴ *Bol'shevik*, No. 19-20, October 31, 1927, p. 27; the fear of a bad harvest in the following year was mentioned in *Kontrol'nye Tsifry Narodnogo Khozyaistva SSSR na 1927-1928 g.* (1928), p. 11.

well-to-do peasants. The less well-to-do or less provident peasant preferred to use his surplus of grain to distill illicit spirit.¹ The well-to-do peasant sometimes not only hoarded, but bought, grain. A sharp increase at the beginning of 1928 in direct sales of grain on the peasant market was attributed to the buying up of grain by well-to-do peasants to hold for higher prices.²

Reluctance to deliver grain might have been overcome in part by strong economic inducements. Unfortunately these were not available. Official grain prices, which were raised slightly in July and August 1927, were reduced again in the following months when the harvest came in.³ On the other hand, by way of reaction against the miscalculation of the previous year, official prices for technical crops, as well as for meat and dairy products, had risen, so that it was more attractive to the peasant to sell these to meet his immediate needs, and to hold his grain for better prices in the future. Nor was the flow of manufactured goods to the countryside abundant enough to absorb the peasant's cash reserves or tempt him to sell more grain. The peasant, it was reported, "goes round the shops and looks to see what he can buy, and, dependent on this, sells part or all of the grain he has brought in".⁴ In the summer and autumn of 1927 the retail prices of industrial goods had been substantially reduced.⁵ But these reductions came at a moment when the increase of purchasing-power, both in town and in country, had far outstripped the increase in the supply of goods. In the autumn of 1927, both town and country were in the grip of an acute shortage of industrial goods of all kinds.

These economic deficiencies were aggravated by failures of organization. Orders had been issued to avoid the previous year's scandal of active competition between different state and cooperative collecting organs; and this apparently encouraged an attitude of passivity.⁶ Party organizations, Stalin explained, "intoxicated by the success of last year's grain-collecting campaign and suppos-

¹ For the campaign against *samogon* (home-distilled spirit) see pp. 760-761 below.

² *Na Agrarnom Fronte*, No. 9, 1928, pp. 56-57; the buying up of grain by well-to-do peasants was first reported in the autumn of 1924 (see *Socialism in One Country, 1924-1926*, Vol. 1, pp. 193-194).

³ See Table No. 34, p. 967 below.

⁴ *Ekonomicheskoe Obozrenie*, No. 2, 1928, p. 42.

⁵ See p. 688 below.

⁶ *Na Agrarnom Fronte*, No. 9, 1928, pp. 65-66; for the rivalries of the previous year see pp. 14-16 above.

ing that this year the collections would flow spontaneously", had given no serious attention to the matter.¹ The persistent friction between agricultural and consumer cooperatives² showed no signs of abating. Molotov at the fifteenth party congress contemptuously referred to agricultural and consumer cooperatives as "irreconcilable enemies" and "departmental 'adversaries'", as well as to the "incessant mutual assaults and attacks of state and cooperative organs".³ The creation of a Union grain-collecting agency Soyuzkhleb in April 1928, and its agreement with Tsentrosoyuz on the handling of grain by the consumer cooperatives,⁴ seems to have been intended to limit the activity of the agricultural cooperatives in the grain collections.⁵ Nor were the arrangements for selling to the peasant what he wished to purchase any more satisfactory than those for purchasing from him what he had to sell. To sell consumer goods on a receptive urban market was simpler than to send them to the villages. The restrictions on private trade in the summer of 1927 aggravated the difficulties of the normal consumer by putting out of business the private trader, who was responsible for a large part of rural retail trade, before cooperative or state organizations were ready to replace

¹ Stalin, *Sochineniya*, xi, 44. This diagnosis was strikingly confirmed by an independent observer in Siberia: "Nobody in authority bothers about the purchase of grain. For weeks on end no papers, no orders, come from the centre to the village. All the highest authorities are in Moscow at the party congress, the anniversary celebrations, the sessions of the Soviet and so forth; the lower authorities, the youth organization and the village correspondents have nothing in their head but preparations for the revolutionary celebration." The same observer connected this neglect with the struggle against the opposition: "The state grain-dealer lets business drift for 10 or 12 weeks, and plays politics in Moscow, in Novosibirsk, at all the railway stations, in all the factories and schools. What could be more thrilling or more important than to watch the struggle for power among the party leaders?" (G. Cleinow, *Neu-Sibirien* (1928), pp. 408-409). Stalin continued to pour contempt on the doctrine of the "spontaneous flow" (Stalin, *Sochineniya*, xi, 67, 70).

² See p. 15 above.

³ *Pyatnadtsatyi S"ezd VKP(B)*, ii (1962), 1217-1218. ⁴ See p. 68 below.

⁵ Later in 1928 the local grain-collecting points of the consumer cooperatives were said to have been two-and-a-half times as numerous as those of the agricultural cooperatives, the greater popularity of the former being attributed to the fact they also handled industrial goods (*Voprosy Torgovli*, No. 12, September 1928, p. 61); and the apprehension was expressed that the agricultural cooperatives were more interested in "questions of competition with the state collectors" than in "the qualitative improvement of their own work" (*ibid.* No. 6, March 1929, pp. 20-21; this source was very hostile to the agricultural cooperatives).

him.¹ The result of all these complications must have been to make the peasant feel that, if he sold his grain to the official collectors, or even at the higher prices of the private market, he could get no fair return in the form of manufactured goods. The party, ill-equipped by its strong urban and factory orientation to understand peasant behaviour or to sympathize with its motives, showed little appreciation of the complexities of the problem; and its approach was a blend of unreasoning impatience and perhaps no less unreasoning optimism. Bauman at the fifteenth party congress eloquently expressed the bewilderment which the Russian peasant commonly inspired in party circles:

In general, we have in the countryside very many contrasts: we have the appearance of a feeling of great internationalism, of interest in world politics, and at the same time anti-Semitism; a bestial hatred of the communist party and at the same time the strongest support for the communist party. We have a primeval narrowness and at the same time a transition to collective forms of economic life. We have the radio — on the straw roof of a tumble-down cottage; the growth of culture and primitive alcoholism etc. Unfortunately there are many contrasts; we still sometimes have survivals of the middle ages, but together with these new socialist beginnings are growing and becoming strong.²

After the congress the party leaders, no longer distracted by the party struggle or afraid of measures which might suggest that the criticisms of the opposition had been well founded, turned to face a grave economic crisis. Hopes of grain exports had gone by the board. An elementary emergency had arisen, reminiscent of that of 1919 and 1920, when grain, which was known to have been harvested, had to be obtained from the peasant at all costs in order to feed the towns and factories and the Red Army.

The crisis called for measures of unusual severity. On December 14, 1927, while the party congress was still in session, and again ten days later, the party central committee sent out circulars drawing attention to the gravity of the grain crisis.³ The first public note of alarm was sounded in an inconspicuous

¹ See pp. 672-674 below.

² *Pyatnadsatyi S'ezd VKP(B)*, ii (1962), 1320-1321.

³ See p. 49, note 2 below.

paragraph on a back page of *Pravda* on December 24, 1927. This announced that in order to stimulate the work of local organs "for the expansion of export and also for the strengthening of the collections of grain and raw materials", Mikoyan, as People's Commissar for Trade, had signed an order for the immediate despatch of certain high officials of the Narkomtorgs of the USSR and RSFSR to the Ukraine, to Central Asia and Kazakhstan, to the Urals and Bashkiria, to the North Caucasian region, to the provinces of Tambov, Voronezh and Kursk, to the provinces of Saratov and Astrakhan, to the Crimea, to the provinces of Vologda and Archangel, and to White Russia. At the same time steps were taken to increase the supply of industrial goods to key regions. Between December 27, 1927, and January 15, 1928, more than twice the normal quantity of cotton textiles was despatched from Leningrad to Siberia, the Urals, the Volga regions, the Ukraine, and the northern Caucasus.¹ On January 6, 1928, a leading article in *Pravda* admitted a "slowing down" in grain collections in comparison with those of 1926-1927, and blamed "the inertia of our economic (commercial, financial and industrial) apparatus, and in part also of our party organizations". On the same day, the Politburo issued an instruction to party organizations which was not published, but which ended by threatening the leaders of such organizations with penalties "in the event of their failure to bring about in the shortest possible space of time a revolution in the grain collections".² This was followed on the next day by an order of Vesenkha headed "Mobilization of Industry to Assist Grain and Raw Materials Deliveries", and calling for a maximum supply of consumer goods in the forthcoming quarter.³ An interview with Mikoyan appeared in *Pravda*

¹ *Pravda*, January 26, 1928.

² The instruction was cited in the further instruction of February 13, 1928 (see p. 51-52 below), but the text has not been published; according to a brief summary in *Istoriya Sovetskogo Krest'yanstva i Kolkhosnogo Stroitel'stva v SSSR* (1963), p. 127, it was an order "to despatch industrial goods to the countryside, to intensify collection of tax, insurance payments and self-taxation, to conduct a more decisive struggle against speculation etc.": it was described as "altogether exceptional both in its tone and in its demands" (Stalin, *Sochineniya*, xi, 11). The two earlier instructions of December 14 and 24, 1927, were also referred to in the instruction of February 13, but were evidently less peremptory: they had "produced no effect".

³ *Torgovo-Promyshlennaya Gazeta*, January 8, 1928; a further order a week

on January 8, 1928, demanding more attention to the crucial issue of the grain collections; and from this time reports of the progress of the collections appeared almost daily in *Pravda* and *Bednota*.

Party workers were sent to key regions to aid in the collections; these included 4000 provincial and regional party workers, and 26,000 from the districts and rural districts. The total number sent out in the Ukraine was 6000.¹ A decision of the Leningrad regional party committee is on record to place 50 party workers at the disposal of the party central committee "for responsible work on the grain collections" in Siberia and Kazakhstan.² Local party committees set up "extraordinary grain *troikas* (groups of three)" to supervise the collections.³ The highest party leaders paid personal visits to danger spots. Andreev was appointed first secretary of the regional party committee of the North Caucasian region. Zhdanov toured the Volga region, and Shvernik the Urals. Mikoyan made journeys to the North Caucasian region as well as to other areas; he was present at a meeting of the North Caucasian party committee on January 12, 1928, which issued "directives about increasing the tempo of the grain collections".⁴ On January 15 Stalin left Moscow on a tour of Siberia,⁵ where a record harvest had been followed by wholesale withholding of grain. It was, so far as is known, the only occasion after the death of Lenin on which Stalin undertook a mission to remote rural areas. He spoke in a number of centres, including Novosibirsk, Rubtsovo, Barnaul and Omsk, of the large surpluses of grain held by the *kulaks*, and laid down a plan of campaign. Hoarders should be prosecuted under art. 107 which had been added to the criminal code of the RSFSR in the previous year⁶ (with a similar addition to the Ukrainian code), and which provided that hoarded grain

later insisted particularly on supplies to the main agricultural areas (*ibid.* January 15, 1928).

¹ *Izvestiya Tsentral'nogo Komiteta VKP(B)*, No. 12-13 (233-234), April 17, 1928, p. 1.

² *Voprosy Istorii KPSS*, No. 5, 1964, p. 104.

³ G. Konyukhov, *KPSS v Bor'be s Khlebnymi Zatrudneniyami* (1960), p. 113.

⁴ *Ibid.* pp. 119, 123.

⁵ According to *Sotsialisticheskii Vestnik* (Berlin), No. 14 (180), July 23, 1928, p. 15, he was accompanied by Molotov.

⁶ The amended criminal code of the RSFSR (*Sobranie Uzakonenii*, 1926, No. 80, art. 600) came into force on January 1, 1927.

should be confiscated by the state. Of such grain 25 per cent was to be distributed to poor peasants at low prices or on long-term credit — an evident attempt to enlist poor peasant sympathy and support for the campaign. This was the only immediate measure proposed. But Stalin dilated on the merits of Sovkhozy and kolkhozy, argued that the Soviet power could not continue to rest on two such disparate foundations as socialized industry and small peasant agriculture, and pronounced it “indispensable to pass on from the socialization of industry to the socialization of agriculture” — from “small peasant households” to “large-scale collectives”.¹ Meanwhile *Pravda*, in an article based on a Rabkrin report, expressed impatience at the delay in carrying out the directives of the party central committee; the local organs were indulging in too much administration and too little explanation to the peasants of what was required.²

When Stalin returned to Moscow on February 6, 1928, the campaign was well under way, its first successes had been registered, and some alarm was felt at its more extreme manifestations. A leading article in *Pravda* of February 5, 1928, while accusing *kulaks* of “concealment of the real dimensions of the harvest”, and deploring a recrudescence of “competition between the basic grain-collecting organizations”,³ drew attention to “relapses into methods and forms of forced execution of the grain-collecting campaign”. Mikoyan, in a further article in *Pravda* of February 12, 1928, insisted that the struggle against the *kulak* should proceed “on the basis of Soviet legality”, and condemned party and Soviet workers who had “found it simpler to proceed by administrative means of action”. On the following day the party central committee issued a further instruction to all party organizations over Stalin’s signature. The crisis was analysed in terms partly of the greed of

¹ Stalin, *Sochineniya*, xi, 1-9. This was described as a “short note” of speeches of Stalin “in different regions of Siberia”: for the dates of his journey, see *ibid.* xi, 369-370. Sosnovsky, an exiled member of the opposition, writing to Trotsky from Barnaul on February 22, 1928, connected the application of art. 107 with Stalin’s visit, and concluded that “pressure on the *kulak* has indubitably got the collections moving” (Trotsky archives, T 1144).

² *Pravda*, February 2, 1928.

³ Stalin during his tour of Siberia in January 1928 witnessed “wild competition” between different organizations for loads of grain brought in by the peasants (Stalin, *Sochineniya*, xi, 12); for the rivalry between different collecting organs see pp. 14-15, 47 above.

the *kulaks*, who had disrupted Soviet price policy, and partly of the negligence of party and Soviet organs, which had neglected "the struggle against the *kulaks* and the *kulak* danger". Since the state had no reserves of grain to throw on the market, the drastic measures adopted since the beginning of January were the only ones available. But the main measures prescribed should be continued, including the application of article 107 to all peasants holding surpluses of more than 200 puds, and "a checking and resolute purging of party, Soviet and cooperative organizations".¹ This instruction was followed two days later by a leading article in *Pravda*, which bluntly attributed the crisis of the grain collections to the growing power of the *kulak* and to the failure of party organizations to react in time to the *kulak* danger :

Among a number of causes which have determined the difficulties in the grain collections, the following should be noted. The rural economy has increased and prospered. Above all the *kulak* has increased and prospered. Three good harvest years have not gone for nothing. An increase in the revenues of the peasants from crops other than grain, from animal husbandry and from industrial earnings, together with relative backwardness in the supply of industrial goods, have given the peasant in general, and the *kulak* in particular, the opportunity to hold back grain products in order to force prices up.²

The *kulak*, declared the party central committee retrospectively in its resolution of April 1928, had been enabled "to utilize his position in the market and together with the private trader to exercise a fairly powerful influence on the market *Konjunktur*".³ And a year later Stalin explained in similar terms why the *kulak* had delivered the grain "spontaneously" before 1927, and had since then refused to do so :

If formerly the *kulak* was relatively weak, had no possibility of putting his economy on a serious footing, had not enough

¹ Stalin, *Sochineniya*, xi, 10-19 ; it is specifically stated to have been written by Stalin (*ibid.* xi, 370).

² *Pravda*, February 15, 1928 ; according to A. Ciliga, *Au Pays du Grand Mensonge* (1938), p. 34 (the author was in Moscow at the time), it was commonly believed to have been written by Stalin.

³ *KPSS v Rezolyutsiyakh* (1954), ii, 492.

capital to strengthen his economy, so that he was obliged to bring to the market all or nearly all the surpluses of his grain production, now, after several good harvests, when he has had time to establish his economy, when he has succeeded in accumulating the necessary capital, he has acquired the possibility of manœuvring on the market, he has acquired the possibility of storing grain, that valuta of valutas, as his personal reserve, preferring to bring to the market meat, oats, barley and other secondary crops.¹

What took place throughout the countryside in the first three months of 1928 cannot be described in detail ; in particular, it is uncertain how much direct action was taken and how far threats and examples sufficed to produce the desired results. The temporizing Rykov spoke of " a combined administrative and economic method ".² In fact, it was only by bringing administrative weapons into play that the state could enforce grain deliveries. Large quantities of grain were confiscated or more or less voluntarily handed over. The notorious article 107 was widely, though not consistently, applied ; the victims served as an example and a warning. Mention is made of armed detachments, and of " illegal searches " of peasant households. In some places local sales of grain were prohibited, and free markets closed. The anniversary of Lenin's death on January 21, 1928, and the anniversary of the Red Army on February 23, 1928, were celebrated by extra deliveries of grain ;³ these were presumably treated as acid tests of loyalty. Quotas were more or less arbitrarily assigned to households in a manner which recalled the requisitions of the period of war communism, and led to the rumour that NEP had been abrogated. A witness from the Middle Volga region referred to what happened there as " a transition to the system of requisition ", in which " a fixed quantity of grain to be delivered was assessed on every rural district, on every village " — a procedure which led the peasants to exclaim : " The year '19 is back ". The worst was that, when demands were met, the authorities concluded that the peasants had more grain in reserve, and called " on all possible and

¹ Stalin, *Sochineniya*, xii, 15.

² *Pravda*, February 22, 1928.

³ *Pravda*, January 31, February 29, 1928 ; G. Konyukhov, *KPSS v Bor'be s Khlebnymi Zatrudneniyami* (1960), pp. 146-147.

impossible pretexts" for further deliveries.¹ Apart from direct demands on the peasant, his resistance to the grain collections was weakened by measures designed to draw off his surplus spending power. Greater stringency was applied in levying the agricultural tax.² Payment for deliveries was sometimes made in the form of bonds of the peasant loan; and forced subscriptions to this loan were not unknown.³ Narkomtorg statistics showed that the purchasing power of the peasantry, which in the quarter October–December 1927 had exceeded that of the corresponding quarter of the previous year by 3.2 per cent, fell in the quarter January–March 1928 by 5.4 per cent below that of the corresponding quarter of 1927.⁴

Evidence of still more direct and brutal measures of compulsion is not lacking. An attempt at forced collectivization was reported from the Tyumen department in Siberia. The "land communities" of the department decided by a majority vote to adopt collective working and transform themselves into kolkhozy; members of the dissentient minority were threatened with arrests or fines, or detained at the village headquarters until they gave their consent. By April 1, 1928, 444 out of 448 households had been induced to enter the kolkhozy. But during the next month mass withdrawals occurred; and by May 1, 1928, in spite of official pressure, only 204 households remained in the kolkhozy.⁵ A later writer described violent measures of "dekulakization" applied in a Ukrainian village in the spring of 1928 by the local committee of poor peasants and the Komsomol. Raids were organized in the

¹ *Sotsialisticheskii Vestnik* (Berlin), No. 13(179), July 8, 1928, p. 14.

² See p. 756 below. Tax collections in the Russian countryside had a long tradition of brutality; for a picture from the eighteen-eighties see Stepniak, *The Russian Peasant* (1888), i, 72, 92.

³ The essential information can be pieced together from the party central committee's instruction of February 13, 1928 (see pp. 51-52 above), from its resolutions of April 11, 1928 and July 10, 1928 (*KPSS v Rezolyutsiyakh* (1954), ii, 495-497, 514-516), and from Rykov's speech of July 13, 1928 (see pp. 82-83 below); for the peasant loan see pp. 768-769 below.

⁴ *Voprosy Torgovli*, No. 6, March 1928, p. 7.

⁵ *Na Agrarnom Fronte*, No. 8, 1929, pp. 64-65; these proceedings were afterwards condemned as "excesses" and "an immense political blunder". Art. 112 of the agrarian code of 1922 permitted decisions of "land communities", taken by a majority vote, to adopt collective working; but such decisions do not appear in practice to have been enforced against dissentient minorities. For the term "land community" see p. 119 below.

course of which not only the grain reserves, but all the possessions, of 21 *kulak* farms were confiscated or destroyed ; the members of nine of the households were sent to Siberia or Kazakhstan.¹

Official reports restricted the impact of the extraordinary measures to *kulaks* and "well-to-do" peasants. But this fiction wore thin as time went on and the pace of the collections grew hotter. Mikoyan wrote with unwonted frankness in *Pravda* of February 10, 1928 :

The main mass of the grain surpluses was in the hands of middle peasants, who were often in no hurry to sell if they could not buy the equivalent quantity of manufactured goods which they wanted, or if they were not driven to do it by the need to pay their debts to the state or the cooperatives.

And a party report of the same month from the North Caucasian region repeated the same lesson :

It must be kept in mind that the main mass of the surpluses is all the same in the hands of middle peasants, and for this reason the collections of February will be made principally at the expense of the middle peasants in the villages, i.e. in small lots.²

Molotov was quoted as having said that "we must strike at the *kulak* in such a way that the middle peasant comes to heel (pered nami vytyanulsya)", and another party spokesman as describing the application of article 107 as "an exemplary lesson to the middle peasant on the hide of the kulak".³ The cult of the middle peasant had been firmly rooted in party doctrine by Lenin.⁴ As recently as November 1927 Stalin had quoted with indignation a remark of the Trotskyite I. N. Smirnov that it would be "better for us to tolerate a split with the middle peasant than face inevitable ruin".⁵ Now all this had gone by the board. The famous

¹ F. Belov, *The History of a Soviet Collective Farm* (London, 1956), pp. 5-6 ; this is a hostile source and the events may be exaggerated or wrongly dated ; but the report is circumstantial and plausible. For the Ukrainian committees of poor peasants (komnezamhozi) see *Socialism in One Country, 1924-1926*, Vol. 1, pp. 289-290, 314.

² G. Konyukhov, *KPSS v Bor'be s Khlebnymi Zatrudneniyami* (1960), p. 149.

³ The quotations are from Frumkin's letter of June 15, 1928, for which see p. 74 below.

⁴ See *The Bolshevik Revolution, 1917-1923*, Vol. 2, pp. 159-164.

⁵ Stalin, *Sochineniya*, x, 257.

Pravda article of February 15, 1928, explained that the *kulak* "has the possibility of drawing the middle peasant after him". Even Kaganovich admitted that "the middle peasant is sometimes under the influence of the *kulak* and shows discontent", that he had been hit by high taxation and by the low price of grain in relation to manufactured goods, and that he had suffered from measures directed against the *kulak*.¹ A contemporary commentator described the tactics of the *kulak* as being "to break the alliance of the poor peasant with the middle peasant, to close the ranks of the *kulaks* and the middle peasants" and to proclaim "*an identity of interests between the kulak and the middle peasant*".² Even the poor peasant was not immune from the same process. Mikoyan attributed the "hesitations" of the poor peasant to *kulak* influence, and admitted that this had been reinforced by the "administrative methods" of local authorities.³ Bauman wrote more bluntly that the poor peasant, not having enough to eat, had "gone to 'do obeisance' to the *kulak*", and that "political and social changes have occurred recently in the villages which were not to our advantage, but to the advantage of the *kulak*".⁴ "The outlawing of the *kulak*", wrote Frumkin in his indictment of official policy a few months later, "engendered illegal acts against the peasantry as a whole."⁵ Nor need any doubts be entertained of the sharpness and tenacity of peasant resistance, though this too was officially depicted as emanating solely from *kulaks*. In Siberia hoards of 2000 puds of grain were common; hoards of up to 15,000 puds were not unknown.⁶ A Siberian *kulak*, found to be concealing 500 puds of grain and a rifle, is said to have retorted ironically: "This is what the class war is about".⁷ In Smolensk province *kulaks* hoarded grain and "openly toasted the forthcoming liquidation of all communists"; middle and poor peasants were said to have fallen

¹ *Bol'shevik*, No. 19, October 15, 1928, p. 20.

² A. Angarov, *Klassovaya Bor'ba v Sovetskoi Dereвне* (1929), pp. 23, 45.

³ *Pravda*, February 12, 1928.

⁴ *Bol'shevik*, No. 13-14, July 31, 1928, p. 46.

⁵ Quoted in Stalin, *Sochineniya*, xi, 123; for Frumkin's letter see p. 74 below.

⁶ G. Konyukhov, *KPSS v Bor'be s Khlebnymi Zatrudneniyami* (1960), pp. 100-101; *Pravda*, February 15, 1928, prominently reported hoarding by "*kulak-speculators*" in Siberia.

⁷ *Byulleten' Oppozitsii* (Paris), No. 3-4, September 1929, p. 23, quoting a letter of July-August 1928.

under their sway.¹ Party archives recorded 1400 "terrorist acts" by *kulaks* in 1928.²

Under the stress of the battle for the grain, the *kulak* had thus been reinstated in his old position as the chief enemy and bugbear of the régime. For the first time after three years of relative indulgence, the whip had been sharply applied to the shoulders of the well-to-do and even of the middle peasant. Stalin afterwards described what had happened as "a counter-stroke which cured the *kulaks* and speculators of their desire to threaten the working class and the Red Army with hunger", a rebuff to "the first serious campaign of capitalist elements in the countryside, under NEP conditions, against the Soviet power".³ The purpose of the operation was "to liquidate the anti-Soviet action of the *kulaks*".⁴ The *kulak*, observed a commentator from the Ukraine, had been thoroughly "shaken up".⁵ The shake-up had its repercussions in every part of the party and governmental machine.⁶ Party members in Siberia were said to have felt themselves free to dispose of their grain as they pleased: some had surpluses of 300-500 puds (5-8 tons).⁷ Those local party or government officials who had for the past three years believed that the essence of party policy was to live at peace with the well-to-do peasant, and not raise the banner of class warfare in the countryside, were shown up as heretics; many of them doubtless succumbed in the ensuing purge. The Red Army, with its rank and file composed predominantly of peasants, was not immune from the repercussions of the extraordinary measures. A conference of political commissars of the Red Army in the White Russian republic in the spring of 1928 expressed anxiety about the influence of Red Army men from the upper strata of the peasantry.⁸ One corollary of the extraordinary

¹ M. Fainsod, *Smolensk under Soviet Rule* (1958), p. 46.

² *Voprosy Istorii*, No. 4, 1960, p. 63.

³ Stalin, *Sochineniya*, xi, 44-45.

⁴ *Ibid.* xi, 83.

⁵ *Na Agrarnom Fronte*, No. 6-7, 1928, p. 34.

⁶ The party purge following these events will be discussed in a subsequent volume.

⁷ *Byulleten' Oppozitsii* (Paris), No. 3-4, September 1929, p. 17, quoting a regional party journal of the spring of 1928.

⁸ For the text of the secret resolution passed by the conference see Trotsky archives, T 1171; at the session of the party central committee in July 1928 an unnamed party member, purporting to quote Voroshilov, is said to have exclaimed: "Resort again to extraordinary measures, and the army will answer with a revolt" (*ibid.* T 3146). A later opposition report from Moscow also referred to disaffection in the army due to the extraordinary measures (*ibid.* T 2442).

measures, which was announced in February 1928, was the replacement of A. P. Smirnov, who had always followed the line of conciliation of the peasant, by the more uncompromising Kubyak as People's Commissar for Agriculture of the RSFSR.¹ A few weeks later his principal coadjutors at Narkomzem, Teodorovich and Svidersky, were transferred to other posts.²

The extraordinary measures of January–March 1928 proved adequate to retrieve the deficiencies of the autumn. Collections of grain for the first three months of 1928 far exceeded those for the same months of 1927; the total for February 1928 — nearly 1.9 million tons — was higher than for any previous recorded month. By the end of March 1928, more grain had been collected for the nine-month period than for the corresponding period of 1926–1927.³ The crisis was over. Early in March 1928, Rykov triumphantly told the Moscow Soviet that “*the question of the grain crisis has been taken off the agenda*”.⁴ The organ of Vesenkha, representing the industrial interest, was triumphant:

We are compelling a *big* harvest year to be a year of *big* economic development. . . . We achieved a break-through (perelom) on the grain deliveries market, we collected about 200 million puds of grain in January and February, and in this way put back into place a corner-stone which had threatened to fall from the foundations of the tremendous structure of the economic plan for the current year.⁵

The resolution of the party central committee at its session of April 1928, though it was not free from ambiguous notes, was

¹ *Pravda*, February 17, 1928. According to *Sotsialisticheskii Vestnik* (Berlin), No. 5(171), March 6, 1928, p. 1, “Smirnov was turned out for a ‘peasant deviation’”; he was, however, appointed to the post vacated by Kubyak in the party secretariat (*Izvestiya Tsentral'nogo Komiteta VKP(B)*, No. 5(228), February 22, 1928, p. 4). Later Smirnov was denounced as a disciple of Kondratiev (*Pravda*, November 21, 1930).

² *Ibid.* March 2, 23, 1928; this was probably also the occasion of the departure of Oganovsky (see p. 29, note 2 above).

³ See Table No. 7, p. 943 below; detailed returns for five-day periods in *Pravda*, February 10, 15, 1928, and *Torgovo-Promyshlennaya Gazeta*, February 16, 21, March 2, 1928, show that the peak period of the collections was from January 26 to February 29.

⁴ *Pravda*, March 11, 1928.

⁵ *Torgovo-Promyshlennaya Gazeta*, March 14, 1928.

primarily concerned to celebrate a successful operation. It diagnosed the causes of the crisis, including "an increase in the income of the countryside, and especially of its well-to-do and *kulak* strata"; it approved the extraordinary measures, declaring specifically that "without the carrying out of these and similar measures the serious difficulties encountered in the grain collections could not have been removed"; it condemned abuses in the application of these measures as "a lapse on to the rails of requisitioning", and reaffirmed that the development of the offensive against the *kulaks* proclaimed by the fifteenth party congress could be "realized only on the basis of the 'new economic policy'". But the main conclusion was not in doubt. The resolution hailed "the weakening of the rôle and influence of the *kulaks*":¹ and Stalin, in his speech to the Moscow party organization two days later, claimed that the campaign had enabled the party "to link the decisive struggle against *kulak*-speculator elements in the countryside with the struggle for the vital interests of the broad masses of toilers, and, by linking them, to draw after itself a majority of the toiling masses in the countryside and to isolate the *kulak*".²

That these results were not achieved without many heart-searchings and divisions of opinion in the party is sufficiently indicated by divergent attitudes among the party leaders. Kuibyshev, president of Vesenkha and now the arch-industrializer in the party,³ greeted the extraordinary measures from the outset with unalloyed enthusiasm. In an unpublished speech to the party cell in Vesenkha on January 18, 1928, he attributed the failure of the grain collections to weaknesses in the party: "the machine was asleep, we had a state of inertia; . . . many did not understand that the spirit of the law, the spirit of our party and of all our policy must at present be directed sharply against the *kulak*".⁴ In a public speech at the presidium of Vesenkha a few days later, Kuibyshev returned to the same theme; in a passage provocatively headed in the report "Administrative Methods and Administrative Leadership must not be Weakened", he went on:

It cannot be denied that the administrative measures applied in the grain collections, the mobilization of all party forces for

¹ *KPSS v Rezolyutsiyakh* (1954), ii, 492-497.

² Stalin, *Sochineniya*, xi, 51.

³ See p. 304 below.

⁴ *Istoricheskii Arkhiv*, No. 3, 1958, p. 55; for this speech see p. 309 below.

this campaign, and active leadership and intervention in the sphere of action of lower organs, which according to normal rules is "not done", yielded undoubted results. The increase in the grain collections is a consequence of administrative pressure.¹

The attitude of Kaganovich was no less uncompromising. In a report to the central committee of the Ukrainian party in March 1928, he boasted that the extraordinary measures of the past three months had effectively refuted the opposition charge of a pro-*kulak* deviation in the party. "Individual mistakes" had doubtless occurred; but the struggle against the *kulak* would continue. A further "forcing" of the grain collections was called for. The "moods of demobilization" which had affected some party members after the successes of January and February must be "liquidated".²

Rykov and Bukharin stood at the opposite end of the party spectrum. Rykov, in announcing to the Moscow Soviet that the grain crisis had been "*taken off the agenda*", was far from making the *kulak* the sole scapegoat for economic difficulties or errors of policy: "difficulties in the grain collections", he explained, "would be theoretically conceivable even if there were not one *kulak* in the countryside". He did not conceal his dislike of the measures which had been found necessary:

This campaign undoubtedly bears all the typical marks of "shock tactics". If I were asked whether it would not have been better if we had succeeded by more normal means, i.e. by avoiding the grain collection crises and not resorting to such a shock campaign, I should frankly say that it would have been better.

What had been done had "its minuses as well as its pluses". He admitted that "individual comrades in some cases began to slip into the methods of war communism", but vigorously denied any

¹ *Torgovo-Promyshlennaya Gazeta*, February 4, 1928. Preobrazhensky, in a memorandum forwarded to Trotsky with a covering letter of April 23, 1928 (both documents are in the Trotsky archives, T 1262, 1349), declared that the crisis was not a *Konjunktur* crisis or a purely economic crisis, but a social crisis; the *kulak* offensive had assumed such proportions that the party had been compelled to carry out "a state-organized struggle against capitalist elements in the countryside".

² *Pravda*, March 30, 1928; the central committee of the Ukrainian party, at its session of March 12-16, 1928, no doubt under Kaganovich's leadership, voted enthusiastically for increased pressure on the *kulak* (G. Konyukhov, *KPSS v Bor'be s Khlebnymi Zatrudneniyami* (1960), p. 151).

intention to abandon the methods of NEP.¹ A month later Rykov, in a speech at the TsIK of the USSR, attributed to “*kulak* rumours” the idea that the extraordinary measures portended a change of policy towards the peasant; it was now clear, Rykov explained, that these measures had been directed solely against “the speculation of *kulak* strata in the countryside”.² Bukharin, in his report to a Leningrad party audience on the April 1928 session of the central committee, attributed the troubles of the grain collections, not to political errors, and not to *kulak* recalcitrance alone, but rather to the market situation. “Fairly serious mistakes” had been made in estimating the *Konjunktur*; and, thanks to these mistakes and to the confusion caused by the opposition, necessary measures had not been taken in time. Hence discrepancies had arisen between supply and demand which enabled the *kulak* to manœuvre successfully against the official price policy.³ The implication throughout was that reliance should be placed on the market to procure the grain, and that the extraordinary measures of compulsion had become necessary only because the market situation had been judged wrongly or too late.⁴ Now that the crisis had been overcome, the normal procedures of NEP would, as a matter of course, be restored.

Though rumours of a rift between Stalin and Rykov circulated widely in the first months of 1928,⁵ it would be premature to assume that at this time a majority of the leaders, or Stalin in particular, was committed to coercion, or had decided to abandon the methods of the market for a policy of direct action. Both the instruction of the party central committee of February 13 and the

¹ For this speech see p. 58 above.

² 3 *Sessiya Tsentral'nogo Ispolnitel'nogo Komiteta Soyuza SSR 4 Sozyva* (1928), p. 341.

³ *Pravda*, April 19, 1928.

⁴ Bukharin at the session of the party central committee in July 1928 stressed his acceptance of the extraordinary measures (see p. 79 below).

⁵ See, for example, a letter probably written in February 1928 in the Trotsky archives, T 1106. According to *Sotsialisticheskii Vestnik* (Berlin), No. 14(180), July 23, 1928, p. 15, Rykov had a violent quarrel with Stalin after Stalin's return from his Siberian journey. Five years later, in his penitent speech at the seventeenth party congress, Rykov confessed that he had been “against the application of the extraordinary measures” (*XVII S"ezd Vsesoyuznoi Kommunisticheskoi Partii (B)* (1934), p. 210); Tomsky on the same occasion traced back the beginnings of the Right opposition to attempts to solve the crisis of the winter of 1927–1928 “on the basis of NEP” (*ibid.* p. 249).

resolution of April 11, 1928, though they continued to denounce the *kulaks*, paved the way for a less truculent attitude in the future by emphatically condemning the excesses and distortions which had occurred in the course of the campaign. A leading article in *Pravda* on March 25, 1928, gave an assurance that "the struggle for a socialist path of development in the Soviet countryside is being, and will be, conducted by the party within the framework of *revolutionary* legality, tried and tested by the peasantry through the seven years of NEP". The press published an instruction from Rykov, as president of Sovnarkom, to the presidents of the Sovnarkoms of the republics, and of provincial and regional executive committees, prohibiting forced placings of the peasant loan.¹ The People's Commissar for Trade of the RSFSR gave an interview explaining that art. 107 was to be invoked only against speculators in grain.² The April resolution of the party central committee again denied as "counter-revolutionary gossip" and "malicious agitation" the rumour that the government intended to bring NEP to an end and revert to the practices of war communism; on the contrary, the slogan adopted by the fifteenth party congress of "an offensive against the *kulak*" could be "realized only on the basis of the 'new economic policy', which is the one correct form of yoking together large-scale socialist industry and the small peasant household, and on the basis of a strict application of the revolutionary legality of the proletarian state".³ Stalin, in his speech after the April session, declared that "the crisis has been surmounted", and gave a specific assurance that if, in the coming year, "no extraordinary circumstances arise and the collections proceed normally", article 107 would not again be applied; if, on the other hand, "capitalist elements try again to 'play tricks'", article 107 would reappear on the scene.⁴ On May 28, 1928, the order was given to reopen local markets and bazaars, and their closure, where it had taken place, was denounced as an abuse.⁵

¹ *Bednota*, April 1, 1928; for this loan see pp. 768-769 below.

² *Bednota*, April 8, 1928.

³ For this resolution see p. 59 above.

⁴ Stalin, *Sochineniya*, xi, 46, 48.

⁵ This was disclosed in a letter from Stalin to members of the Politburo of June 26, 1928 (Stalin, *Sochineniya*, xi, 125); the first public announcement of the decision appears to have been by Mikoyan, as People's Commissar for Trade, in *Pravda*, June 30, 1928.

Yet these assurances had an ambiguous character. The April resolution of the central committee, side by side with its gestures of appeasement, had called for "unflagging attention and persistence" in completing the grain collections for the current quarter.¹ Stalin, in his speech after the session, spurred the faithful to fresh efforts with the remark that "anyone who thinks of carrying out in the countryside a policy which will please everyone, both rich and poor, is not a Marxist, but a fool".² An article in the journal of the party central committee attributed a decline in deliveries, once the crisis had been overcome, to "a demobilization of the apparatus" and to "a slackening of the pressure by most party organizations, not a deficiency of grain in the hands of the peasantry".³ *Pravda* on April 25, 1928, commented sharply on the falling off of the grain collections in the current month: "somebody has decided to rest on his laurels". A leading article on the following day uncompromisingly demanded a maintenance of "pressure on the *kulak* and the private trader". The repressive measures applied earlier in the year were resumed in full force. In a county of the province of Penza, two *kulaks* were put on public trial, and condemned to confiscation of their grain; the one had hoarded 16 tons of grain, the other had moved his grain to another village where he sold it at high prices. Sometimes a simple device like red and black boards on which the names of those who delivered, and those who withheld, their grain were inscribed, proved effective.⁴ In the Ukraine and the northern Caucasus, the emergency was aggravated by the severe winter, which destroyed much of the winter wheat and made re-sowing necessary, and by a belated spring, which increased the demand for fodder.⁵ A delegate from the North Caucasian region reported to the TsIK of the USSR early in April 1928 that peasants were tearing down straw from the roofs of their houses to feed cattle

¹ *KPSS v Rezolyutsiyakh* (1954), ii, 495.

² Stalin, *Sochineniya*, xi, 48.

³ *Izvestiya Tsentral'nogo Komiteta VKP(B)*, No. 12-13 (233-234), April 17, 1928, pp. 1-4.

⁴ *Derevenskii Kommunist*, No. 14(86), July 26, 1928, pp. 34-35.

⁵ *Voprosy Torgovli*, No. 1-2, October-November 1928, p. 85; *Na Agrarnom Fronte*, No. 10, 1928, pp. 28-29. Widespread sale or slaughter of animals at this time, partly through lack of fodder, partly in order to pay the agricultural tax, was described *ibid.* No. 5, 1929, p. 70. For the loss of winter sowings see p. 70 below.

dying of hunger in the severe spring frosts.¹ But what militated against the attempt to maintain the rate of deliveries was, above all, that the reserves of grain held by the peasants in 1927, which had contributed so largely to the success of the "extraordinary measures" of January–March 1928, no longer existed. In most areas, available stocks of grain had been ferreted out in the first months of 1928 and no reserves remained.²

The sequel of the falling off in deliveries after April 1928 was recorded — not without a note of self-reproach — in the resolution of the July session of the party central committee :

All this provided the ground for a second application of extraordinary measures and for administrative caprice in the collecting areas, for violations of revolutionary legality, for the frequent application of methods of requisition (house-to-house visits, closing of bazaars, illegal searches etc.).³

These oppressive proceedings completed what the extraordinary measures of the spring had begun : the alienation not only of the *kulak*, but of the middle peasant. Rykov found the belated exactions of April–June less easy to defend than those of January–March, since they fell largely on the poor and middle peasant ;⁴ indeed they increased the dependence of these groups on the well-to-do peasant whose resources had enabled him, however battered, to withstand the storm. Smilga, in a memorandum circulated to members of the opposition in the summer of 1928, declared that "the two-fold application of 'extraordinary measures' terrorized not only the well-to-do, but the middle peasantry", and that "the middle peasant as a result of these measures has come closer to the *kulak*".⁵ Stalin admitted that the struggle against the *kulaks* had sometimes been carried on so "clumsily and stupidly" that "the blows fell on the middle and poor peasant", that cracks had

¹ 3 *Sessiya Tsentral'nogo Ispolnitel'nogo Komiteta Soyuzna SSR 4 Sozyva* (1928), pp. 62–63 ; the Gosplan control figures for 1928–1929 recorded "the increased realization by the peasantry of cattle in connexion with the bad harvest of feeding-stuffs and hay and the unfavourable weather conditions of the autumn of 1927 and the spring of 1928" (*Kontrol'nye Tsifry Narodnogo Khozyaistva SSSR na 1928–1929 god* (1929), p. 300).

² *Ekonomicheskoe Obozrenie*, No. 8, 1928, p. 96.

³ *KPSS v Rezolyutsiyakh* (1954), ii, 515.

⁴ For Rykov's speech of July 13, 1928 see p. 83, note 1 below.

⁵ Trotsky archives, T 1744.

appeared in the alliance with the middle peasant, and that "part of the poor peasantry fell temporarily into the clutches of the *kulak*";¹ during this later period it had been necessary "to trench on the *reserve* stocks of the peasantry" at a time when the prospects of the next harvest were still in doubt.² A commentator at this time described peasant grain reserves as "a harmful anachronism", and thought that all reserves should be held by the state which could make best use of them in an emergency;³ but this argument was unlikely to appeal to the peasant. Peasant unrest in the spring and summer of 1928 appears to have been widespread, though ineffective. At the session of the party central committee in July 1928, Andreev referred to peasant riots in the North Caucasian region. Bukharin spoke of "a wave of dissatisfaction" with 150 "outbreaks" and "several dozen terrorist acts", "pogrom attacks on the Leningrad and Moscow exchanges", and risings in the Kabardino-Balkarsh autonomous region and elsewhere, and described the measures taken as "a return to war communism".⁴

The other side of the balance-sheet between town and country could, however, not be forgotten. Even these frantic efforts failed to match the achievement of the previous year; the total grain collections of 10,382,000 tons from July 1927 to June 1928 compared with a total of 10,590,000 tons for the year 1926-1927.⁵ The food shortages of the previous summer and autumn in the large cities reappeared in an aggravated form which could no longer be concealed or ignored. The spring and early summer brought back the familiar phenomenon of bread queues, and saw the beginnings of bread rationing.⁶ It was found necessary to draw on desperately needed foreign exchange to import 250,000 tons of grain at a cost

¹ Stalin, *Sochineniya*, xi, 106-107.

² *Ibid.* xi, 206.

³ *Voprosy Torgovli*, No. 4, January 1929, p. 25.

⁴ For these speeches see pp. 77, 79 below; *Sotsialisticheskii Vestnik* (Berlin), No. 15(181), August 3, 1928, p. 14, reported "peasant unrest and even risings" in the Ukraine and in the Volga and North Caucasian regions.

⁵ See Table No. 7, p. 943 below. According to a preliminary statement by Mikoyan collections of all agricultural products fell from 11,500,000 to 11,400,000 tons; collections of grain declined by 5.3 per cent (*Pravda*, July 19, 1928). The total of the grain collections was 90.2 per cent of the planned total (*Ekonomicheskoe Obozrenie*, No. 9, 1928, p. 28). A calculation in terms of value at pre-war prices put the value of all agricultural products collected in 1927-1928 at 108 per cent, and of grain at 87.7 per cent, of that of 1926-1927 (*ibid.* No. 12, 1928, p. 110).

⁶ See pp. 702-704 below.

of 30 million rubles;¹ and Kubyak spoke indignantly of hidden stores of grain being eaten by mice in granaries, while grain had to be imported to feed the urban population.² No easy or acceptable answer could be found to the question who should have to suffer for the grain shortage.

¹ *Pravda*, July 20, 1929; this step does not seem to have been publicly announced at the time. Kalinin in April 1928 had said that in order to "regulate the market" an import of 50-70 million puds (830,000 to 1.1 million tons) would be necessary, and this was impracticable (*3 Sessiya Tsentral'nogo Iсполnitel'nogo Komiteta Soyuza SSR 4 Sozyva* (1928), p. 417).

² Quoted in Frumkin's letter of June 15, 1928 (see p. 74 below).

CHAPTER 3

THE HARVEST OF 1928

PREPARATIONS for the harvest of 1928 went on under the shadow of the extraordinary measures of the first three months of that year. Profound anxiety was felt lest the draconian methods adopted to secure the grain from the 1927 harvest should lead to a falling off in sowings for 1928. An appeal from the party central committee for increased sowings appeared in *Pravda* on January 9, 1928; for the first time since 1921 the authorities had been seriously concerned with the sowing campaign. On February 21, 1928, Sovnarkom adopted a resolution "On Measures to Extend the Spring Sowings of 1928".¹ This was followed on March 2, 1928, by an appeal from the TsIK of the USSR to the peasants to increase their sowings.² The supply of seeds was improved both in quantity and in quality.³ In the RSFSR alone 10,000 new seed societies came into existence between October 1927 and April 1929.⁴ Hastily improvised procedures, indicative of an acute fear that not enough grain would be sown, marked the local sowing campaigns in the first months of 1928. Sometimes the village Soviet, having received a sowing plan from the rural district executive committee, summoned the heads of peasant households, and required them to sign a paper undertaking to sow a prescribed area: this method was thought to smack of war communism, and was officially discouraged. Sometimes the plan was treated simply as a recommendation; a more

¹ *Sobranie Zakonov*, 1928, No. 12, art. 106; the text had originally been drafted by Gosplan, and approved by STO earlier in February (*Pravda*, February 12, 1928). The sown area in the RSFSR was to be increased by 3·2 million hectares.

² *Sobranie Zakonov*, 1928, No. 14, art. 119; attention was drawn to the need to counteract *kulak* pressure to restrict sowings in *Derevenskii Kommunist*, No. 5-6(77-78), March 14, 1928, p. 9.

³ *Na Agrarnom Fronte*, No. 6-7, 1928, pp. 37-38.

⁴ *Ibid.* No. 5, 1929, p. 16; for seed societies see p. 147 below.

refined method still was to invite the peasants, on the basis of the plan, to submit their own estimates of how much they could sow.¹ Though these proceedings were hailed as "a transmission of the concrete planning and regulation of agriculture to the lowest unit of the Soviet apparatus (the village Soviet)",² the element of dictation in them was thinly veiled. One of the features of the newly created machine tractor stations (MTS) was "an annual plan of production drawn up for each village by the agronomist of the station with the participation of the peasants", and submitted for confirmation to the general assembly of peasants.³ The party central committee at its session in April 1928 decided to tighten up the machinery of the grain collections by creating a Union share-company called Soyuzkhleb, which was to supersede Khleboprodukt, the purchasing organ of the RSFSR, and the corresponding organs of the other republics, and to organize the collections in conjunction with Tsentrosoyuz, the central organ of the consumer cooperatives.⁴ Effect was given to this decision in a decree of June 13, 1928, on the machinery of the grain collections.⁵

Fear of peasant reactions to the extraordinary measures helped to account for the increased attention in official circles to the problems of collective production. The appeal of TsIK of March 2, 1928, for larger sowings also contained a sermon on collective effort:

The transition to a high level of production is beyond the strength of individual households. . . . The surest road to the improvement of agriculture is the road of Lenin, the road of union of weak and middle peasant households, the creation of societies, *artels*, communes and collectives for the joint working of the land, for socialized labour.⁶

¹ *Na Agrarnom Fronte*, No. 6-7, 1928, p. 36.

² *Ibid.* No. 6-7, 1928, p. 47.

³ A. Markevich, *Mezhseleennye Mashino-Traktornye Stantsii* (2nd ed. 1929), pp. 48, 287; for the MTS see p. 213 below.

⁴ *KPSS v Rezolyutsiyakh* (1954), ii, 498-499; for earlier rivalry between republican collecting organs see p. 14 above.

⁵ *Sobranie Zakonov*, 1928, No. 37, art. 339; local cooperative organs were to deliver their grain direct to organs of Soyuzkhleb, but these transactions were to be covered by a general contract between Tsentrosoyuz and Soyuzkhleb (*XLI Sobranie Upolnomochennykh Tsentrosoyuza* (1928), p. 200).

⁶ For this appeal see p. 67, note 2 above; on the same date Sovnarkom issued a decree containing the detailed programme of aid to agriculture for the

The eighth Komsomol congress in May 1928 followed suit with a resolution urging Komsomol members to become the organizers and instigators of collectivization.¹ On May 15, 1928, the party central committee issued an appeal to local party organizations to intensify the work of "socialist construction" in the countryside; this was noteworthy as the first party document which openly proclaimed the liquidation of the *kulaks* as the goal, deducing the necessity of this step from *kulak* resistance to the grain collections, but assuming that liquidation would take the form of a "socialist reconstruction" of agriculture, not of administrative reprisals against individual *kulaks*. The crucial passage ran:

The crisis of the grain collections this year, and the attempts of the *kulaks* to take the offensive against the economic policy of the Soviet state, have fully confirmed the correctness of the decisions of the fifteenth party congress on the collectivization of agriculture and the development of large-scale state cultivation of the land, as the only decisive road to the serious economic advance and socialist development of the countryside. Only on the basis of a socialist reconstruction of agricultural production can we achieve a radical increase of productive forces in agriculture, overcome the poverty and backwardness of our countryside, and finally liquidate the capitalist elements (the *kulaks*) in the countryside.²

In so far as such pronouncements penetrated to the countryside, they could hardly fail to inflame the apprehensions and antagonism of the peasantry, or at any rate of its more prosperous sector.

It is reasonable to suppose that many peasants who could afford to do so curtailed their sowings after the experience of the first months of 1928, though concrete evidence of this was hard to find.³ In some places, the *kulak* refused to rent land from the poor peasant, or to work the poor peasant's land, or to grant him advances of seed or loans of machines and implements; or, in return

financial year 1927-1928, which exhibited anxiety about the situation, and advocated an extension of large-scale state farms (see p. 186 below).

¹ *VLKSM v Rezolyutsiyakh* (1929), p. 331; Chaplin in his report at the congress called collectivization "the central task of the moment" (*VIII Vsesoyuznyi S'ezd VLKSM* (1928), p. 68).

² *Pravda*, May 16, 1928; *Izvestiya Tsentral'nogo Komiteta VKP(B)*, No. 16-17(237-238), May 25, 1928, pp. 7-9.

³ *Ekonomicheskoe Obozrenie*, No. 12, 1928, pp. 100-101.

for help rendered, he would exact an assurance that the recipient would not take sides against his "benefactor".¹ Kalinin quoted a *kulak* who had tried to dissuade other peasants from increasing their sowings with the argument: "The more we have, the more they will take the skin off us".² Part of the deficiency which occurred in grain sowings was due to the late spring frosts which destroyed winter sowings of wheat and rye in the Ukraine and the northern Caucasus.³ The area under technical crops, which had not been exposed to confiscatory measures, increased; and this in turn created the fear that "grain crops are being squeezed out by technical and other crops".⁴

When the count was complete, it appeared that, while sowings of technical crops exceeded those of 1927 by 18.3 per cent, sowings of grain were only 97 per cent of those of 1927.⁵ The situation in regard to the two main food crops, rye and wheat, which had been the principal objects of confiscation and requisition, was still more serious. In the twenty years before 1914, while the rye crop remained more or less stable, the production of wheat — largely for export — increased by nearly 80 per cent.⁶ After the revolution the fall in wheat production was even sharper than in rye; the wheat-growing areas suffered most in the drought and famine of 1921. As recovery set in, wheat began once more to overtake rye, and from the middle nineteen-twenties to outstrip it.⁷ In 1926

¹ *Na Agrarnom Fronte*, No. 6-7, 1928, p. 34.

² *SSSR : 5 S"ezd Sovetov* (1929), No. 15, p. 6; pressure from the *kulak* on the poor peasant, and refusal to assist him, was said on occasion to have driven poor peasants into the *kolkhozy* (*Na Agrarnom Fronte*, No. 9, 1928, pp. 5-6).

³ See p. 63 above; for figures of losses of winter-sown wheat and rye, amounting to 1,593,000 hectares (half of it in the northern Caucasus), see *Na Agrarnom Fronte*, No. 6-7, 1928, p. 35. The resolution of the party central committee of July 1928 claimed that 5 million hectares of winter wheat had been lost, but that 3 millions had been re-sown (*KPSS v Rezolyutsiyakh* (1954), ii, 407).

⁴ *Na Agrarnom Fronte*, No. 10, 1928, p. 87.

⁵ *Kontrol'nye Tsifry Narodnogo Khozyaistva SSSR na 1928-1929 god* (1929), p. 220; according to another source, sowings of grain reached 97 per cent of the pre-war level in 1927 and fell to 91.7 per cent in 1928 (*Na Agrarnom Fronte*, No. 10, 1928, p. 88).

⁶ V. Timoshenko, *Agricultural Russia and the Wheat Problem* (1932), pp. 365-370.

⁷ For the shift from rye to wheat, which had been going on since 1924, see *Ekonomicheskoe Obozrenie*, No. 9, 1928, p. 34; the writer claimed that in 1927-1928 "rye ceased to be the predominant crop for peasant consumption". See also p. 698, note 5 below.

and 1927 sowings of rye had shown a slight decline from the high point of 1925; but this had been accompanied by a sharp rise in the area under the more valuable wheat crop. In 1928 a further and larger decline in the area under rye — from 28.4 million to 26.1 million hectares — was accompanied by a still steeper fall in the area under wheat — from 32 million to 28.4 million hectares.¹ It was apparently true that the area sown by poor peasants had increased — that sown by the poorest most of all.² But the higher ratio of poor peasant sowings to total sowings, however reassuring from the standpoint of party doctrine, only diminished the proportion of the harvest likely to come to the market.

It was some time before these disquieting figures became known;³ and in the summer of 1928 it was still hoped that increased spring sowings had been sufficient to compensate for the widespread failure of the winter sowings. But the sense of impending crisis was now inescapable. A rare foreign visitor to the Russian countryside acutely diagnosed the situation in the summer of 1928:

Time will only continue to fan the new consciousness of the peasant, and spur him into ever-increasing self-assertiveness and

¹ See the table in *Shestnadtsataya Konferentsiya VKP(B)* (1962), p. 19. The decline was, of course, not uniform throughout the country. Statistics from a small sample of well-to-do holdings in the Lower Volga region actually showed a rise in the sown area in 1928 followed by a sharp fall in 1929 (*Istoriya SSSR*, No. 6, 1958, p. 14); it may be significant that in this region reprisals against *kulaks* appear to have been undertaken for the first time in 1929 (*ibid.* p. 18).

² Kalinin produced figures to demonstrate this at the sixteenth party conference in April 1929 (*Shestnadtsataya Konferentsiya VKP(B)* (1962), pp. 274-275); a table in *Sdvigi v Sel'skom Khozyaistve SSSR* (2nd ed. 1931), p. 13, showed that the proportion of the area under grain covered by poor and middle peasant holdings rose from 85.5 per cent in 1927 to 87.3 per cent in 1929; the *kulak* share in the same period fell from 12.9 to 7.1 per cent.

³ In July 1928 detailed information of the sown area was not yet available, but spring sowings were said to have increased by 11 per cent; it was, however, admitted that in the North Caucasian region the sown area had been reduced, and that there had been "an undoubted diminution in the sowings of grain crops" (*Pravda*, July 3, 1928). At the session of the party central committee in the same month, Stalin claimed that the sown area in the principal grain-growing regions had increased by from 2 to 15 or 20 per cent (Stalin, *Sochineniya*, xi, 212).

make him constantly more demanding. It cannot be otherwise. . . . The communists are in the toils of a horrible dilemma. They need the peasant. And yet they cannot afford to compromise with him — not too much, for he is also the individualist, the supporter of private property, the seeker of accumulation, and as such is the staunch foe of communism.¹

Kalinin, whose transparent simplicity enabled him to remain somewhat aloof from the dust of day-to-day controversy, took the occasion of a Union congress of kolkhozy at the beginning of June 1928 to offer a retrospective view of the whole revolutionary process :

What happened was a transfer of land, of material resources, of the inventory of production, from the *kulak* and landowner sector to the poor peasantry and middle peasants. Agriculture was fragmented and broken up to an incredible extent, and in the present year we are reaping the real effect, the real results of this situation. From the point of view of the immediate future, the results are lamentable for the Soviet Union.

But to go back would mean a “counter-revolution”. What was needed was to create “new forms of life”, efficient kolkhozy which would not “subject the personality to a barrack existence”.²

Contemplation of these incontrovertible generalities provided no practical solution, and merely served to widen the rift between party leaders already implicit in their differing attitudes to the extraordinary measures of January–March 1928³ — attitudes which reflected in turn their different views of future policy. In May and June 1928, in an atmosphere of growing tension, Bukharin sent notes to the Politburo in which he appears to have argued against the increased rate of industrialization, the excessive restraints on trade, the undue emphasis on Sovkhozy and kolkhozy, and the practicability of collectivization in general.⁴ Stalin pro-

¹ M. Hindus, *Humanity Uprooted* (1929), pp. 158, 173 ; the chapter from which these remarks are quoted is still worth reading.

² *Pravda*, June 7, 1928 ; *Bednota*, June 8, 1928. For the congress see pp. 168–169 below.

³ See pp. 59–61 above.

⁴ These notes have not been published ; they are summarized, though not quoted textually, from party archives in *Voprosy Istorii KPSS*, No. 4, 1960, p. 66 (where Bukharin is said to have “read” his theses to the Politburo), and were referred to in the Politburo resolution of February 9, 1929 (*KPSS v Rezolyutsiyakh* (1954), ii, 566).

ceeded with his usual caution. When he spoke on May 28, 1928, at a meeting of students of the Institute of Red Professors (hitherto Bukharin's territory), the Communist Academy and the Sverdlov University, he argued — no doubt, in direct and conscious refutation of Bukharin's thesis — that "to slow down the rate of development of industry means to weaken the working class". Noting that grain production had already reached pre-war levels, he faced the crucial issue of the marketed part of production. He quoted figures provided by Nemchinov of the Central Statistical Administration to show that, whereas before the war 26 per cent of the grain harvest was marketed, the marketed proportion of the grain harvest of 1926 had been only 13·3 per cent. Before the war 21·6 per cent of the marketed grain had come from landowners, 50 per cent from *kulaks* and 28·4 per cent from middle and poor peasants; in 1926–1927 6 per cent had come from Sovkhozy and kolkhozy, 20 per cent from the *kulaks* and 74 per cent from middle and poor peasants. On the other hand, Sovkhozy and kolkhozy marketed 47 per cent of their production, *kulaks* 20 per cent and middle and poor peasants only 11·2 per cent. Stalin harped on the class divisions in the peasantry:

The alliance of the proletariat with the peasantry in the conditions of the dictatorship of the proletariat cannot be regarded as an alliance with the whole of the peasantry. . . . Such an alliance cannot be realized without a struggle against the capitalist elements of the peasantry, without a struggle against the *kulaks*. Such an alliance cannot be solid without the organization of the poor peasants as the support of the working class in the countryside.

But he avoided open controversy with other leaders, and was content to dwell in general terms on the formation of kolkhozy, on the development of Sovkhozy, on the importance of improving the yield of peasant holding, and on the need to change over from an individual to a collective organization of agriculture. By all these means, an increase of 250–300 million puds (about 4–5 million tons) in marketed grain should be attainable within three or four years.¹

¹ Stalin, *Sochineniya*, xi, 81–97; for different calculations of the "marketed part" of the harvest see Note A, pp. 916–919 below. Stalin's remarks took the shape, not of a formal address, but of a long answer to a question; they were published in *Pravda* on June 2, 1928.

The next move was a letter from Frumkin, deputy People's Commissar for Finance and a member of the party central committee, addressed to the Politburo on June 15, 1928, in terms more frankly pessimistic than had been used by Bukharin. The development of collective forms of agriculture provided, in Frumkin's view, no answer to the immediate problem. He demanded "attention and aid in the first place, not in the third [where Stalin had placed it in his address to the students], to the individual holdings of middle peasants, who can give us grain, not in five or ten years' time, but this year and next". The danger from capitalist elements might exist. But "we are confronted now by a greater danger — a shortage of grain"; and "every million puds, from whatever group it comes, strengthens the dictatorship of the proletariat and the process of industrialization". Frumkin alleged that "the countryside, with the exception of a small section of the poor peasants, is against us", and that "these moods are already beginning to spread to workers' centres". He attributed "the deterioration in our economic position" to "the new political attitude to the countryside adopted since the fifteenth congress". What was intended as a restricted "offensive against the *kulak*" within the limits of NEP had been turned against the middle peasant:

The whole party is taking a new line about the middle peasant; through inertia, we still talk of the link with the middle peasant, but in practice we drive the middle peasant away from us.

The party, Frumkin declared, had been in too much of a hurry to "abandon the positions of the fourteenth congress". He demanded a re-establishment of free grain markets, an increase in grain prices and a reduction of other prices.¹ Stalin, who clearly did not wish to join battle with Bukharin at this juncture, replied sharply to Frumkin in an unpublished note to members of the Politburo. The fifteenth congress, he wrote, had decided "to

¹ The text of the letter is in the Trotsky archives, T 1693. The "return to the fourteenth congress" became a catchword in the dispute; Molotov in a speech of July 1929 accused Serra (i.e. Tasca) of having told the central committee of the Italian party in February of that year that, in announcing the offensive against the *kulak*, "the fifteenth congress too quickly abandoned the ground of the fourteenth congress" (*Pravda*, July 20, 1929).

develop further the offensive against the *kulak*". What could a return to the fourteenth congress mean except a cancellation of this decision of the fifteenth? Stalin argued that certain minor abuses of the grain collections denounced by Frumkin had already been corrected by the party authorities before Frumkin wrote, and concluded that the essence of Frumkin's letter was "a petition to ease the lot of the *kulak*, a petition to remove restrictions on the *kulak*".¹

Another minor, but characteristic, skirmish occurred in advance of the session of the party central committee. On June 30, 1928, *Pravda*, where Bukharin still reigned as editor, published an article by Maretsky, one of Bukharin's pupils from the Institute of Red Professors. Maretsky, taking as his text a recent article of Karpinsky in *Izvestiya*,² disputed the premature assumption that the individual peasant holding had no further rôle to play and the premature belief in "the victory over the *kulak*". The renewed falling-off in the grain collections in April-May 1928 showed that the influence of the *kulak* was still not broken. In dealing with him it was necessary to distinguish between "economic" measures on the basis of NEP and "administrative" measures, and between normal and extraordinary measures: the latter were justified only in abnormal conditions. On July 1 and 3, 1928, two articles by Astrov, another of Bukharin's disciples, appeared in *Pravda*, one prefaced by a quotation from Lenin on the supreme importance of the "link" with the peasant, the other by a long quotation from Bukharin, who had criticized "the tendency to decry the importance of the growth of individual holdings and in general to exaggerate methods of an administrative character". The essence of the article was a criticism of the "extraordinary measures", which, though appropriate when used against the *kulak*, had had "negative consequences" when they fell on the middle peasant, and had enabled the *kulak* to win the support of "certain sections of the middle and poor peasants". In pursuing the campaign against the *kulak*, the party must beware of any step which might damage the link with the middle peasant.³ Two days later, on

¹ Stalin, *Sochineniya*, xi, 116-126; Stalin analysed the letter in greater detail in his speech to the party central committee in November 1928 (*ibid.* xi, 271-273).

² See pp. 171-172 below.

³ Astrov, in the article of July 1, 1928, also referred with approval to the article by Maretsky which had appeared in *Pravda* on the previous day.

July 3, 1928, *Pravda* published a letter purporting to have been written by Stalin to an anonymous "comrade S." on Lenin's theory of the link. Stalin explained that Lenin's doctrine of the "agreement" or "alliance" with the middle peasant was inseparable from Lenin's doctrine of implacable hostility to the *kulak*. To attempt to separate them led either to the error of the opposition, which ignored the need for alliance with the middle peasant, or to the contrary error, which sought to maintain that alliance at the expense of the campaign against the *kulak*.¹ The argument was conducted on an abstract plane, and nothing was said to identify the views of "comrade S." with those of Bukharin or his followers.

The party central committee met on July 4, 1928. Several days were devoted to the thorny affairs of Comintern.² The next item was a report by Mikoyan on "the policy of grain collections in connexion with the general economic situation", which introduced a long and contentious debate.³ After Lepse had dwelt on the discontent of the workers, and Chubar had stressed the importance of the price factor, Osinsky launched an all-out attack. He asserted that "we are living through a break in the link (*razmychka*)" with the peasantry, contesting the official figures for the area under grain and claiming that a decline had taken place in 1928. He saw the cause of the crisis in the lack of economic incentives for the peasant :

The main causes are prices, the *kulak* is a supplementary factor ; he only expresses the view of the middle peasant and eggs him on ; but the middle peasant chose for himself. The peasant made a revolution in order to live better, and we gave

¹ Stalin, *Sochineniya*, xi, 101-115 ; by way of dissociating it from any immediately polemical intent, the letter was dated June 12, 1928.

² These will be discussed in a subsequent volume.

³ The most comprehensive available account of the debate is an opposition report in the Trotsky archives, T 2442 ; this records most of the speeches, presumably in the order in which they were delivered, without complete texts but with brief notes of their content. Besides this report, the Trotsky archives contain what appear to be complete texts of the speeches of Sokolnikov, Stalin and Bukharin (probably in the original form in which they were taken down by secretaries, not the corrected texts for the stenographic record), and abbreviated versions of several other speeches ; references to these are given in footnotes below. Stalin's speech is the only one to have been subsequently published (see p. 78, note 2 below). For the parts of the discussion relating to industrialization see pp. 314-315 below.

the peasant everything we could ; but we did not make sure that he was given an elementary item like boots.

The scissors should be closed by raising agricultural prices. Industrialization must be slowed down ; the budget could not afford projects like Dnieprostroi. Though the substance of the speech ranged Osinsky on the Right, he tried to safeguard himself by a flattering eulogy of Stalin's common sense.¹ Andreev gloomily attributed the deterioration of relations with the peasantry, not to incidental "excesses", but to the fact that "we trenched on the middle peasant's basic reserves, which the middle peasant did not want to give up". Stetsky, whose speech was subject to interruptions, thought that Mikoyan exaggerated "the objective conditions and specific causes" of the crisis : the pressure applied after the April session of the party central committee had enabled the *kulak* to capture the middle peasants and a part of the poor peasants. Both Andreev and — still more — Stetsky expressed acute alarm at the alienation of large sections of the peasantry, and apprehension of the consequences of any renewal of the extraordinary measures : "they are saying in the countryside", declared Stetsky, "that 1919 and 1920 have returned".² Sokolnikov, in a confused speech, referred to past charges against him of an "agrarian deviation" and of opposition to industrialization, and admitted that he had made mistakes. But he clearly favoured raising agricultural prices.³ Kaganovich defended the extraordinary measures ; and Rykov tried to dissociate himself from Osinsky and to retire to an intermediate position. But he continued, amid interruptions, to criticize the extraordinary measures, and accused Kaganovich of supporting them "as such, at all times and in all circumstances".⁴ Molotov attacked Astrov for his *Pravda* article, and Sokolnikov for underestimating the "leading rôle" of the proletariat in the struggle with the peasantry.⁵ He is, however, said to have admitted that "the middle peasant has grown stronger and come into collision with us".⁶ Kalinin mildly

¹ For Osinsky's speech see Trotsky archives, T 1834 ; the term "razmychka" had been coined by Preobrazhensky two years earlier in speaking of the goods famine (see *Socialism in One Country, 1924-1926*, Vol. I, p. 316).

² *Ibid.* T 1834, 1835, 2442.

³ *Ibid.* T 1836.

⁴ *Ibid.* T 1835, 2442.

⁵ *Ibid.* T 1833 ; for Astrov's article see p. 75 above.

⁶ This remark was quoted by Sokolnikov in his conversation with Kamenev on July 11, 1928 (see p. 82, note 1 below).

defended himself against the charge of favouring the *kulak*, and argued that "the whole question is agricultural production". Yaroslavsky rejected this "incorrect formulation", and thought it would be "a gift for the opposition" — "as if we are not in principle against the *kulak*".¹

Stalin intervened in the debate in a long speech on July 9, 1928.² He opened with a polemic against Osinsky and Sokolnikov, who had advocated increased prices for agricultural products: this, he declared, would retard industrialization.³ In the absence of foreign loans, the capital accumulation necessary to finance industrialization could be drawn only from internal sources — the worker, who "creates the values and provides the motive force of industry", and the peasant, who paid excessive prices for industrial goods and was underpaid for his agricultural products. This "tribute", or surtax, levied on the peasant was an unpleasant fact, but "our country and our industry cannot *for the present* do without it". Stalin denied the imputation of seeking to kindle class warfare in the countryside. On the other hand, it was necessary "gradually to crush and squeeze out capitalist elements, reducing them sometimes to annihilation"; and it could not be expected that "the *kulaks* will be grateful to us, or that they will not try to organize a part of the poor and middle peasants against the policy of the Soviet Government". Extraordinary measures were not "something absolute and given once for all". But it was wrong to treat them as "bad in all circumstances". Even this tough speech, however, showed a continued toleration of the small holding:

Those comrades are in error who assert that small-scale peasant agriculture has exhausted the possibilities of its further development, and that therefore it is not worth helping it. This is quite untrue. The individual peasant economy still has many

¹ Trotsky archives, T 1832.

² For a comparison of the two versions in which the speech is available — the preliminary text in the Trotsky archives, T 1900, and the text published for the first time in 1949 (Stalin, *Sochineniya*, xi, 157-187) see *Soviet Studies*, xvi (1965), 339-340.

³ Trotsky archives, T 1900; in the published text Osinsky and Sokolnikov are mentioned only once (Stalin, *Sochineniya*, xi, 157), and the argument about prices is omitted altogether, presumably because Stalin was overruled on this point (see pp. 80-81 below).

possibilities of development. One has only to know how to help it to realize these possibilities.¹

The impression left was one of readiness to adopt any expedient which did not limit the rate of industrialization : this was the nub of the controversy.

Bukharin spoke on the following day, July 10, 1928. His speech was cautious in tone, but its general tendency was clear. He insisted that the issue of prices could not be ignored : " I entirely agree that the question of prices should be posed in all its sharpness " : He defended the extraordinary measures as an absolute necessity in the past, but regarded the " political meaning " of the task now before the committee as the removal of the extraordinary measures. Economically they no longer yielded anything substantial, and " politically they produce a harsh, extensive and unfortunately negative effect, embroiling us with the broadest circles of the peasantry ". Bukharin's boldest step was to express agreement with " the first proposition in Frumkin's well-known letter " — apparently the proposition that the countryside had turned against the régime. He spoke at length of demonstrations of " mass dissatisfaction " and " terrorist acts " directed against the régime in many parts of the country. The danger was that further grave difficulties in obtaining grain would bring about a renewal of the extraordinary measures, which would be tantamount to " driving the peasant by force into the commune " and would enable the *kulak* to organize and lead the peasantry against the party — a pronouncement which moved Stalin to interject the Russian proverb, " A fearful dream, but God is merciful ". Bukharin sharply distinguished between pressure on the *kulak* and pressure on the middle peasant. The *kulak* was not dangerous in himself : so long as the middle peasant did not follow him, " we can shoot him down with machine-guns, and he cannot shake our country ".² After the speech Bukharin submitted theses on the lines of his notes of May and June to the Politburo, which referred ominously to " the break in the link " with the peasantry, and pleaded for a milder policy. Tomskey, who followed Bukharin, spoke in the same sense, rejecting the charge of " panic " levelled

¹ Stalin, *Sochineniya*, xi, 159, 170-172, 178, 180-181.

² Trotsky archives, T 1901 ; the speech was never published. The latter part of the speech, like those of Stetsky and Rykov, was frequently interrupted.

at spokesmen of the Right and calling for conciliation of the peasant.¹ "You want NEP without nepmen, *kulaks* or concession-holders", he is reported to have said; "it won't work out".²

The resolution unanimously adopted at the end of the debate sounded an unmistakable note of alarm:

The extremely low level of agriculture, especially of its grain sector, holds within it the danger of a rift between the socialist town and the small-peasant countryside, and consequently the danger of the destruction of the basic condition of a socialist transformation of our whole economy.

"The breakdown in the market equilibrium and the aggravation of this breakdown" was attributed to "the rise in the incomes of the countryside, and especially of its well-to-do and *kulak* strata". The resolution recognized that "the individual small and middle peasant household" would "remain for a considerable time the basis of grain production". It repeated the decision of the fifteenth congress in favour of "the unification and transformation of small individual peasant households into large-scale collectives", and of "a policy of support for the poor peasant, a firm alliance with the middle peasant and an offensive against the *kulak*". But the collectives were to be "voluntary unions"; and even the offensive was to be conducted "not in the least by methods of so-called 'dekulakization'". The illegalities and excesses which had occurred in the grain collections were emphatically condemned: cases had occurred "of administrative caprice . . . , of violation of revolutionary legality, of the application of methods of requisition". (The word "requisition (*prodrazverstka*)" had been familiar in the days of war communism.) For the future it was essential to take steps "which exclude the necessity of applying any kind of extraordinary measures". Among the proposed remedies, "a certain increase in grain prices" was conceded.³

¹ *Voprosy Istorii KPSS*, No. 4, 1960, pp. 66-67. Tomsky at the sixteenth party congress in 1930 traced the beginning of his errors to his "sincere mistake" at this session of the party central committee, when he advocated concessions to the middle peasant, i.e. to individual farming (*XVI S"ezd Vsesoyuznoi Kommunisticheskoi Partii (B)* (1930), p. 145); later he went back further to the crisis of the previous winter (see p. 61, note 5 above).

² Quoted by Sokolnikov in his conversation with Kamenev on July 11, 1928 (see p. 82, note 1 below).

³ *KPSS v Rezolyutsiyakh* (1954), ii, 511-517. Stalin, in his polemical

The amount of the price increase, which was left open in the resolution, and may not have been settled till after the committee had dispersed, was evidently the subject of hard bargaining; for, speaking on the Sovkhozy on the day after the adoption of the resolution, Stalin digressed to remark that those comrades who had demanded "restorative prices" had now renounced the demand.¹

The resolution, which left the main lines of policy indeterminate, was in form a compromise. As Stalin afterwards recalled, some "very insignificant elements" in the committee showed an inclination to compromise with the "Right danger". But the rift between the leaders was not publicly divulged; and rumours of disagreement in the Politburo were firmly denied.² Nevertheless, the resolution seemed in a certain sense a defeat for Stalin, who had opposed any price increase. Trotsky, surveying the scene from exile in Alma Ata, described what had happened as "the first open victory of Rykov over Stalin, won, it is true, with the help of Stalin himself", and thought that the turn to the Left executed in the previous February had been "buried".³ Only

answer to Frumkin of June 20, 1928 (see p. 75 above), alleged that the decision to raise prices had been taken by the Politburo in the previous February (Stalin, *Sochineniya*, xi, 125); but no trace has been found of such a decision. Kalinin in April 1928 admitted that some people wanted to raise grain prices, but rejected this solution on the ground that an increase of 10-15 kopeks per pud would merely encourage "strong" peasants to speculate on a further rise (3 *Sessiya Tsentral'nogo Iсполnitel'nogo Komiteta Soyuza SSR 4 Sozyva* (1928), p. 417).

¹ *Ibid.* xi, 189; for the main part of this speech see pp. 188-189 below. The ambiguous and untranslatable phrase "vosstanovitel'nye tseny" was in current use to indicate prices which would enable the economy to revive; Kviring, two years earlier in a speech to "Red directors", defined it in relation to industrial prices as "the fixing by industry of high prices to extract a large profit, making it possible to develop output" (*Predpriyatie*, No. 6, 1926, p. 80). When a party delegate to the fourth Union Congress of Soviets in April 1927 put forward in the party fraction a draft resolution to the effect that "the producer should receive a restorative price for his grain", the proposal was rejected as tantamount to acceptance of "the *kulak* demand for a rise in agricultural prices" (*Bol'shevik*, No. 13, July 1, 1927, p. 33). In practice, it was the slogan of those who wanted to raise prices, or were opposed to price reductions, but did not dare to say so openly.

² Stalin, *Sochineniya*, xi, 235, 319-320.

³ Memorandum in Trotsky archives, T 3126; Kamenev in a conversation with two unnamed party members, recorded in a memorandum of September 22, 1928 (*ibid.* T 2630), agreed with Trotsky's appraisal of the July session, but remarked that, while Rykov's platform was clear, Stalin's position was uncertain and fluid, and consisted of "reservations" and "compromises on reservations". Sosnovsky, writing to Trotsky from Siberia, regarded the turn to the Left as ended: "the anti-*kulak* course was a disagreeable outburst which they try to

Bukharin, less courageous or more perceptive than his opposition comrades, was overwhelmed by premonitions of defeat. On the day after the adoption of the resolution, July 11, 1928, he paid a secret visit to Kamenev. Both men agreed that Stalin was moving towards the view that, in the absence of colonies or foreign loans, industrialization could be financed only by "tribute from the peasants", and that, if the grain collections once more failed, he would revert to "extraordinary measures" and the methods of war communism. Bukharin could only confess his own pathetic impotence, and express the conviction that Stalin would "strangle" all his rivals and lead the country to the abyss.¹

The customary speeches of the leaders at party meetings on the results of the session left a confused impression of divided counsels and of a decision still hanging in the balance. Rykov, speaking to the Moscow party organization, struck a polemical note by directly criticizing "one of our very responsible comrades" (perhaps Bauman), who had said that "the development of productive forces in our country takes place in collectivized forms of agriculture, and cannot take place in any other forms". Thus to rule out the development of individual holdings was, declared Rykov, to "adhere to fundamentally false and dangerous opinions". The grain crisis had affected both the poor and the middle peasant in a way which might develop into a serious threat to the link (the word "razmychka" was avoided). It was dangerous to argue that only a few thousand had been affected by the measures: this was to ignore their "political resonance in the countryside". Rykov ended a little lamely by rejecting both the view that the extraordinary measures "flow directly from the decisions of the

forget" (Trotsky archives, T 2071; part of this letter was published in *Byulleten' Oppozitsii* (Paris), No. 3-4, September 1929, pp. 22-24). *Sotsialisticheskii Vestnik* (Berlin), No. 15(181), August 3, 1928, pp. 2, 14, announced that "the Left course has faded before it blossomed", and spoke of a Politburo decision "to stop 'the Left course' in regard to the peasantry"; it added that "Rykov's trend has been victorious", though "organizationally Stalin is still the decisive force".

¹ The record of the conversation made by Kamenev is in the Trotsky archives, T 1897; it will be further discussed in a subsequent volume. In a conversation with Sokolnikov which preceded the conversation with Bukharin on the same day, and was recorded in the same document, Kamenev also spoke of Stalin's conversion to the "tribute from the peasant" and to Mikoyan's price "scissors".

fifteenth party congress" and the view that the decisions just announced by the central committee involved the abandonment of industrial development.¹ Stalin's speech to the Leningrad party organization, delivered on the same day as Rykov's, struck a very different note. Stalin had no qualms about the inevitability of the measures taken, even of those taken in April-June; "the grain had all the same to be got". He dismissed the idea of a "break in the link" with the peasantry. As before, he treated the predominance of small-scale cultivation as the root of the trouble, but again declared that "people who think that the individual peasant holding has exhausted itself and is not worth supporting" have "nothing in common with the line of the party". He repeated the now familiar denunciation of the excesses which had accompanied the extraordinary measures, mentioned in passing the increase in grain prices, and ended on a conventionally optimistic note. A certain jauntiness of tone may have concealed underlying uneasiness.² The discussion which followed the session in party circles and in the factories reflected widespread bewilderment at the dilemma of the grain collections and uneasiness at the failure of the party central committee to give a clear lead.³

The conclusions reached in the party central committee took shape in a decree which was issued by Sovnarkom on July 19,

¹ The speech, delivered on July 13, 1928, appeared in *Pravda* on July 15, 1928; for "razmychka" see p. 77, note 1 above.

² Stalin, *Sochineniya*, xi, 204-218; it was published on the opposite page to Rykov's speech in *Pravda*, July 15, 1928. Trotsky in the memorandum already quoted (see p. 81 note 3 above) called it the "helpless" speech of a defeated man. The assurance that the potentialities of individual holdings had not yet been exhausted became a cliché of the period. Mikoyan told a Tsentrosoyuz conference a few days later that "we shall have to help the individual small holding, which will remain for many long years the fundamental basis of agriculture" (*XLI Sobranie Upolnomochennykh Tsentrosoyuza* (1928), p. 294); and the same view was repeated even by Markevich (see p. 186 below) in his work on machine tractor stations (*A. Markevich, Mezhselennye Mashino-Traktornye Stantsii* (2nd ed. 1929), p. 170).

³ The Trotsky archives contain three records of such discussions: a secret report of the information department of the Orgsprsed of the Moscow party committee on a discussion by Moscow party activists lasting from July 15 to 17, 1928 (T 2021); another secret report by the same department on a conference of delegates of party cells in Moscow on July 25, 1928 (T 2167); and an opposition report on discussions in the factories (T 2066). The general tenour of the three reports coincides very closely. Fear that the extraordinary measures had alienated the middle peasant was frequently expressed; and the existence of dissensions among the leaders seems to have been widely known.

1928, and extensively publicized. It declared that the extraordinary measures adopted in the previous January had been directed against "speculators and large holders of grain (*kulaks*)", though they had also in many places fallen by error on "broader strata of the peasantry". The decree recorded hopes for a better harvest in 1928 and for grain collections "without the application of any kind of extraordinary measures". It proclaimed the government's intention to stop all forced requisitions and to remove all prohibitions on the marketing of grain. Most important of all, it foreshadowed an increase of from 10 to 20 kopeks a pud, varying from region to region, in official prices for grain. This represented an average rise of 10.6 per cent in grain prices: it was to be highest for rye (15.9 per cent) and lowest for barley (8 per cent).¹ Conciliation of the peasant still seemed the better part of valour. Mikoyan, speaking at a conference of Tsentsosoyuz on the day when the decision was announced, explained that it was necessary to pay prices which "would strengthen the urge of the peasantry to extend their sowings of grain, to raise the yield of the area under grain". But he seemed more concerned to point out the dangers of a rise in grain prices which, by increasing peasant demand, would drive up the price of scarce industrial goods, and, by raising the price of bread, create a demand for higher wages. He insisted that the higher agricultural prices should not be passed on to the consumer.² A fortnight later, Molotov, in what was evidently an authoritative article, summed up the party view. He described the rise in grain prices as "*a concession to the middle peasant*", though a necessary one. Like Stalin, he criticized Bukharin without naming him, attacking those who spoke of a "break in the link". The main source of the crisis was the fact

¹ *Sobranie Zakonov*, 1928, No. 44, art. 400; it first appeared in *Pravda*, July 20, 1928. An anxious leading article *ibid.* July 21, 1928, pointed out that the price increase would put a further 100 million rubles into the pocket of the peasant and increase the demand for industrial goods.

² *XLI Sobranie Upolnomochennykh Tsentsosoyuza* (1928), pp. 296-297, 299; Mikoyan's remarks earlier in the same speech suggest that he was more keenly aware than some of the other leaders of dangers ahead: "The difficulties with which we are now confronted are difficulties of the stage of reconstruction, of the building of socialism in our backward country, with our lack of culture, with the immensity of the tasks before us. We must soberly tell ourselves that our path is a stony path. Building socialism does not mean strolling along a pleasant road" (*ibid.* pp. 284-285).

that the peasantry, "especially the top strata", had been stronger after the 1927 harvest than after the 1926 harvest. Nevertheless, in order "to get rid of classes, a whole transition period is necessary, the main stages of which we have not yet passed through": it was important not to overestimate what was practicable.¹ The pronouncements of Stalin and Molotov at this time were the utterances, not of men who had made a calculated move to the Left, and still less of men who believed that the mass collectivization of the peasantry was a practicable policy for the near future, but of men hesitant and bewildered in face of an intractable problem, and still hoping somehow to muddle through.

The latter part of July and the whole of August 1928 were occupied in Moscow by the sixth congress of Comintern.² Before it ended on September 1, 1928, most of the Soviet leaders had already left Moscow on holiday without any sense of an impending crisis. But in September the horizon again darkened. Milyutin, in a report to the party central committee of September 10, 1928, put the grain harvest at 4800 million puds (or 79 million tons), 300 millions higher than that of the previous year. But the increase had been entirely in crops for animal feeding (oats, barley, maize). The estimated marketable surplus of grain for human consumption was no more than 504 million puds (or 8.25 million tons), as against 520 millions in the previous year, whereas the estimated consumption of cities, factories and Red Army now reached 550 millions. This presaged "serious difficulties on the grain market", and potential political complications.³ Moreover the harvest of 1928 had been best in Siberia and Kazakhstan, where transport to bring the grain to the market was slow and scarce, and poor in the more accessible grain-producing regions — in the Central Black-Earth, North Caucasian and Middle and Lower Volga regions, and, above all, in the steppe regions of the Ukraine.⁴ The first reports of the grain collections were not

¹ *Pravda*, August 5, 1928; the article was stated to have been written for the forthcoming issue of *Sputnik Kommunist*, the party workers' journal.

² The proceedings of the congress will be discussed in a subsequent volume. Bukharin was the principal Soviet spokesman; the congress had no significance for Soviet domestic policy.

³ Trotsky archives, T 2532.

⁴ Difficulties arising from "the geographical distribution" of the harvest

encouraging. Owing to a late harvest, hardly anything came in during July; and, though matters improved in August with the increase in prices, only half the total for the corresponding period of the preceding year had been collected by the end of the month. Prior demands on the new harvest had been made by "town markets in the producing regions" and by the peasants themselves, desperately eager to rebuild their stocks after the depredations of the first months of 1928.¹ Speculators were buying up grain at inflated prices. The phenomenon of "bagging", trading in small consignments of grain over considerable distances, familiar in the days of war communism, made a disconcerting reappearance; a "wave of bagmen from the consuming regions" descended on the Ural, Middle Volga and Central Black-Earth regions, and bagmen and speculators from the south thronged the grain markets on the Volga.² In August 1928 the towns of the Volga and of the eastern regions were reported to be competing for grain.³ A correspondent from the Ukraine predicted "enormous difficulties" in the grain collections, which he attributed to "the substantially increased weight of the private trader in the collections, and increased purchases of grain by the populations of regions which have had a bad harvest".⁴ In these conditions the official collecting agencies had an uphill — indeed an impossible — task. A leading article in *Pravda* on September 5, 1928, admitted that the grain collections of the past two months had not "come up to expectations". These difficulties produced the expected reaction; in some places — notably in the North Caucasian region — there was "a relapse into the methods and forms of an

had been foreseen as early as July 1928 (*Ekonomicheskoe Obozrenie*, No. 7, 1928, p. 139), and were mentioned in Milyutin's report quoted above; see also *Bednota*, September 16, 1928. The control figures for 1928-1929 noted "the impossibility of the *punctual* transportation of the requisite quantity of grain from the eastern regions" (*Kontrol'nye Tsifry Narodnogo Khozyaistva SSSR na 1928-1929 god* (1929), p. 294).

¹ *Ekonomicheskoe Obozrenie*, No. 11, 1929, p. 135.

² *Ibid.* No. 11, 1929, pp. 138-139; in the spring of 1929 trains leaving Moscow for Ryazan were said to be full of "bagmen" carrying grain for sale in the province (*Sotsialisticheskii Vestnik* (Berlin), No. 10-11, May 25, 1929, p. 21). For the bagmen of the period of war communism see *The Bolshevik Revolution, 1917-1923*, Vol. 2, pp. 117-119.

³ *Ekonomicheskoe Obozrenie*, No. 11, 1929, p. 135.

⁴ *Voprosy Torgovli*, No. 1-2, October-November 1928, p. 85.

enforced execution of the collecting campaign".¹

Nor, in spite of every effort to improve the machinery of the collections, had the embittered rivalry between different collecting organs yet been overcome. The new supreme state collecting organ Soyuzkhleb began to function on July 1, 1928.² The president of Soyuzkhleb told a conference of Tsentrosoyuz in July 1928 that competition between grain-collecting organizations had led to "fantastic incidents",³ which were prominently reported in the press.⁴ At the same conference a spokesman of the central administration of Tsentrosoyuz complained bitterly of a leading member of a local cooperative who for three years past had delivered his grain to the state, not to the cooperative, organ, and professed to see no distinction between them; the same speaker demanded the liquidation of the local granaries of Soyuzkhleb, in order to leave the consumer cooperatives a monopoly of distribution.⁵ On September 2, 1928, Rudzutak gave an interview to the press condemning both competition between collecting organs and the use of any kind of "compulsory" or "extraordinary" measures; and a few days later an instruction in the same sense signed by him in his capacity as deputy president of Sovnarkom was issued to all authorities ranging from the Sovnarkoms of the republics to village Soviets.⁶ The three principal state and cooperative organs concerned in the grain collections — Soyuzkhleb,

¹ *Pravda*, September 5, 1928; *Bednota*, September 8, 1928.

² *Ibid.* June 10, July 1, 1928; for Soyuzkhleb see p. 68 above.

³ *XLI Sobranie Upolnomochennykh Tsentrosoyuza* (1928), p. 223.

⁴ *Pravda*, August 9, 16, 28, 1928 (the last issue also reported the revival of private markets); a cartoon in *Bednota*, August 10, 1928, depicted state and cooperative representatives wrangling with each other while a private trader carried off the sack of grain. For disputes between agricultural and consumer cooperatives see pp. 15, 47 above.

⁵ *XLI Sobranie Upolnomochennykh Tsentrosoyuza* (1928), pp. 198, 202; the resolution of the conference called for "the strengthening of a unified system in the grain collections" and "coordination of the work with local offices of Soyuzkhleb" (*ibid.* p. 343).

⁶ *Bednota*, September 2, 12, 1928. Rudzutak was People's Commissar for Communications and a deputy president of Sovnarkom; since July 1926 he had been a full member of the Politburo. Mikoyan, as People's Commissar for Trade, also issued a warning against "terrorization of peasants by hints of extraordinary measures"; but the same directive contained an appeal that "special attention" should be paid to "the collection of all payments due from the peasants" (*Pravda*, September 23, 1928). An article in *Pravda* referred to "the 100 per cent fulfilment of the agricultural tax" as "a fighting task" (*ibid.* September 25, 1928).

Tsentrosoyuz (consumer cooperatives) and Khlebotsentr (agricultural cooperatives) — were induced to sign an “agreement” to eliminate competition between them.¹ These efforts were rewarded by a steady improvement in the grain collections in September and October, though the proportion of wheat and rye, the staple crops for human food, ominously fell off. The improvement in these months, which formed a marked contrast to the crisis of the autumn of 1927, was attributed to three main factors: the pressure of the agricultural tax, the rise in official grain prices, and the desire of the peasant to buy industrial goods before the winter.² It was afterwards stated that the main deliveries of grain at this time came from middle peasants, and that the *kulaks* still hoarded their grain or sold it on the private market.³

In September 1928 the recurrent uncertainties of the grain collections, and the recognition of these hazards as a permanent feature of the economy, brought to a head the fundamental issue of policy. Trouble broke out in the Moscow party organization. At a session of the Moscow party committee on September 11, 1928, Uglanov⁴ delivered a report on the economic situation. He had little or nothing to say about the grain collections, and airily dismissed reports of reduced grain sowings on the plea that “statistics often lie”. He quoted the resolutions of the party central committee in July on the need to develop cooperatives, kolkhozy and large-scale grain Sovkhozy, but did not mention the campaign against the *kulaks*. He concluded with a strong attack on the defeated Trotskyite opposition, poking fun at its attempts to discover “Right” or “centrist” deviations in the party leadership. A resolution was passed by the committee on similar lines —

¹ *Bednota*, September 19, 1928.

² *Ekonomicheskoe Obozrenie*, No. 11, 1929, p. 138; when the Gosplan control figures for 1928–1929 were compiled, the grain collections for July–September 1928 could be regarded as satisfactory, having exceeded those of the two preceding years (*Kontrol'nye Tsifry Narodnogo Khozyaistva SSSR na 1928–1929 god* (1929), p. 49). For the final figures see Table 7, p. 943 below.

³ *Ekonomicheskoe Obozrenie*, No. 11, 1929, p. 13.

⁴ Uglanov had been marked for some time as a follower of Bukharin on this question; a speech of his to the Moscow party committee on June 30, 1928, reported in *Pravda*, July 5, 1928, seems to have avoided the grain problem, and was countered by an article of Bauman (*ibid.* July 4, 1928) on the theme that only collectivization could raise the profitability and marketability of peasant production.

apparently without opposition.¹ These proceedings incurred prompt, though covert, disapproval in *Pravda*, which, in a leading article on September 15, 1928, congratulated the Moscow committee on having passed a resolution against Trotskyism, but pointed out that the party central committee in July had also issued a warning against those who "attempt to evade the decision of the fifteenth congress to develop further the offensive against the *kulaks*". Uglanov, still apparently unrepentant, continued to insist, in a speech of September 25, 1928, that the root cause of the trouble was "the lagging of agriculture behind industry".² Goldenberg spoke in the presidium of Gosplan on September 26, 1928, of "stagnation" in agriculture and "absolute regression" in grain production, proposing to curb the rate of investment in industry and to divert more of it to the textile industry.³ Another incident marked the rising tension. *Pravda*, in a routine article of September 23, 1928, on the grain collections, remarked that the cause of the trouble, "should be sought not in any deep-seated political-economic phenomena, but in this or that temporary disequilibrium between the collection of grain and the supply of industrial goods, in the unfavourable distribution or the late ripening of the harvest, in rains which prevented the harvesting". The article is unlikely to have been written by Bukharin himself. But the neglect of the social problems of the countryside, and the implied exculpation of the well-to-do peasant, reflected his views. On September 27, 1928, the Politburo requested *Pravda* to rectify its lapse.⁴

It was perhaps a coincidence that at this moment, on September 30, 1928, on the eve of the new economic year, Bukharin published in *Pravda* a long article entitled *Notes of an Economist (At the Beginning of an Economic Year)*.⁵ Taking his cue from the grain collections, Bukharin had no difficulty in showing that in the last

¹ Uglanov's report appeared in *Pravda*, September 21, 1928; the resolution was not published.

² Trotsky archives, T 2668.

³ Quoted by Krumin in *Pravda*, March 31, 1929.

⁴ Trotsky archives, T 2674; *Pravda* complied in a leading article of September 30, 1928, which attributed the crisis of the grain collections not only to "current causes", but to "deep-seated processes bound up with fundamental social-class relations".

⁵ It was specifically stated in the Politburo resolution of February 9, 1929,

three years the development of industry had far outstripped that of agriculture: "the grain crisis is in no sense the expression of an abundance of grain side by side with a famine of industrial goods". Bukharin stood for the development of agriculture through the cooperatives and through Sovkhozy and kolkhozy. He did not make the tactical error of ignoring the campaign against the *kulak*; but his remedy for the "serious dangers" signalled by the crisis of the grain collections was to slow down — or, at any rate, not to accelerate — the process of industrialization. "The greatest sustained advance is achieved when industry develops on a basis provided by a rapidly growing agriculture". Agriculture must be allowed to catch up: this was the only way to avoid "an overstraining of capital expenditure".¹ The priority attached to the needs of agriculture was a striking challenge to current party orthodoxy. Smilga, in an unpublished memorandum on Bukharin's article, called Bukharin "a twentieth century physiocrat" and "a true progeny of Slavophil reaction"; the attempt to base industrial development on "the character and condition of agriculture" was not only non-Marxist, but meant in practice to slow down the rate of capital investment, and to "put the costs of inflation on the working class".²

A preliminary trial of strength in the Moscow party organization showed the Bukharin group hopelessly outmatched. Bukharin himself, heavily engaged throughout the summer in party affairs and at the congress of Comintern, had departed on vacation to the Caucasus,³ and took no part in what followed. On October 2, 1928, the Moscow party committee addressed an open letter to party members admitting and rectifying the errors of its September resolution. A further joint meeting of the Moscow party committee and control commission was summoned for October 18,

that the article was published "without the knowledge of the central committee" (*KPSS v Rezolyutsiyakh* (1954), ii, 557).

¹ For a further discussion of the implications of Bukharin's article for industrialization see pp. 317-319 below.

² Trotsky archives, T 2825; Smilga noted that Bukharin appeared as the spokesman, no longer of the party, but of its Right wing. Trotsky, in a circular letter of October 21, 1928, wrote of the "theoretical nullity" of Bukharin's article (*ibid.* T 3146).

³ Bukharin's movements at this time will be explained in a subsequent volume.

1928; and on that day the party central committee issued an appeal "To All Members of the Moscow Organization of the VKP(B)" which appeared on the first page of *Pravda* the following day. This referred to "the sally (vylazka¹) of the *kulaks* against the economic plan of the proletarian state at the time of last year's grain collections", and cited the letter of the party central committee of February 13, 1928, on the presence in the party of "certain elements alien to the party which see no classes in the countryside". Having criticized the September resolution of the Moscow committee, and approved of the terms of the open letter of October 2, 1928, it expressed its confidence in the Moscow organization and called on it to "ensure the complete unity of the Bolsheviks".² When the Moscow committee met, Uglanov temporarily saved himself by making the main report and sponsoring the resolution which condemned the September resolution. But his attitude was anything but conciliatory. He referred to an attempt "artificially to discredit leaders", and ironically observed that, though Stalin had "defects of which comrade Lenin spoke", these could not now be mentioned "because the Trotskyites spoke of them previously".³ The debate, in which considerable animosity appears to have been displayed on both sides, lasted for two days; Molotov and Stalin both spoke—a tribute to the importance of the occasion. Stalin openly referred to a "Right deviation" on party policy in the countryside. He named only minor offenders, but deprecated the idea that the deviation could be traced to a few individuals. It lay deep in the character of Soviet development. Though capitalism had been overthrown, "we have not yet torn out the roots of capitalism", which thrived, as a quotation from Lenin attested, on small-scale production in the town and, especially, in the countryside. While admitting the existence in the party central committee of "very insignificant elements" which were ready to compromise with the Right danger, Stalin categorically denied rumours of divisions in the Politburo.⁴

¹ The word is used of an attempted break-out by a beleaguered garrison.

² *Pravda*, October 19, 1928; for the letter of February 13, 1928, see pp. 51-52 above.

³ Trotsky archives, T 2780; the archives also contain brief quotations from other speeches in the debate (*ibid.* T 2781-2815).

⁴ Stalin, *Sochineniya*, xi, 222-238. The speech was originally published in *Pravda*, October 23, 1928; the other speeches in the debate were not published.

Uglanov, in a more tactful concluding speech, contrived to include a complimentary reference to Stalin and to the need to counter the Right danger.¹ The proceedings ended with a resolution which recanted past errors and relieved certain party officials, though not Uglanov, of their posts.²

A full-throated publicity campaign against the "Right deviation" now opened; and denunciations of it by various party organizations were reported almost daily in the press, though nobody was yet attacked by name. It was in this atmosphere that the party central committee was convened to meet on November 16, 1928. In advance of the session Frumkin circulated a further letter in which he repeated and strengthened his criticisms of the previous June. He spoke of "stagnation" in the countryside and of the "degeneration" of agriculture. Looking for a vague formula of compromise, he proposed "not to interfere with the production of *kulak* farms, while struggling at the same time against exorbitant exploitation", and declared that the existing policy had "led the basic masses of middle peasants to a state of bewilderment".³ At this point the rift divided the Politburo against itself. In the continued absence of Bukharin, Rykov submitted to the Politburo a draft resolution on the control figures for 1928-1929 which he was to present to the committee. The resolution was rejected by the Politburo on the ground that it made inadequate provision for Sovkhozy and kolkhozy, as well as for industrial investment. The relevant figures were revised in an upward direction by a special commission of the Politburo; and Rykov duly accepted the resolution in its amended form. On the day after these proceedings in the Politburo ended, Bukharin returned to Moscow. A violent altercation ensued with Stalin, turning partly on economic policy, partly on certain party appointments;

¹ Trotsky archives, T 2815.

² *Pravda*, October 20, 1928.

³ Stalin, *Sochineniya*, xi, 259, 274-275; Frumkin's letter, like his letter of June 15, 1928 (see p. 74 above), was not published, but direct quotations from it appeared in a hostile article in *Pravda*, December 8, 1928. Frumkin's stand made some impression; Minin, a Ukrainian professor of agriculture, later declared himself a supporter of "the line of the section of the party central committee headed, let us say, by Frumkin" (*Trudy Pervoi Vsesoyuznoi Konferentsii Agrarnikov-Marksistov*, i (1930), 144). The phrase about "degeneration" evidently struck home; a long passage in the Gosplan control figures for 1928-1929 was devoted to refuting it (*Kontrol'nye Tsifry Narodnogo Khozyaistva SSSR na 1928-1929 god* (1929), p. 217).

Bukharin, Tomsy, and perhaps also Rykov, tendered their resignations. Finally a compromise was reached. How far the resolution was further modified is not clear ; but Bukharin sealed the compromise by himself drafting a section to be included in it on the dangers of a Right deviation.¹ The public unity of the Politburo was preserved, and it was decided not to divulge to the central committee the disagreements which had occurred.

When the central committee met on November 16, 1928, Rykov presented his re-drafted resolution,² and Stalin spoke in the name of an ostensibly united leadership. While demolishing Frumkin with vigour and relish, he mildly defended Bukharin's *Notes of an Economist* on the plea that Bukharin had merely posed "the abstract, theoretical question of the possibility or the danger of degeneration", not asserted it as a fact. Frumkin might attempt "to hang on to Bukharin's coat-tails"; but this would not save him. Stalin announced that Andreev would make a special report on the grain problems of the north Caucasus ; similar reports on other regions would be made at future sessions. This "concrete" approach avoided a general discussion of the problem of the grain collections, and concentrated attention on a region especially suited to large-scale agriculture, where the issue between the powerful *kulak* and the large collective organized by the state or by the cooperatives was particularly acute. Though Stalin denounced the "Right deviation", and named Uglanov as one of those who had supported a policy of "compromise" with it, he again denied rumours of dissensions in the Politburo.³ The speech indicated no eagerness for the present to force the issue on the plane of party loyalties.

¹ A detailed account of this episode will be given in a subsequent volume. The main sources for it are an alleged statement by Bukharin to Kamenev in January 1929 published in *Byulleten' Opozitsii* (Paris), No. 1-2, July 1929, pp. 15-17 ; the resolution of the Politburo and the presidium of the central commission of February 9, 1929 (*KPSS v Rezolyutsiyakh* (1954), ii, 556-567) ; Stalin's speech of February 1929 (Stalin, *Sochineniya*, xi, 320-321) ; and an article in *Voprosy Istorii KPSS*, No. 4, 1960, pp. 62-80, based on party archives.

² Rykov's report to the committee was not published ; according to a later narrative, it "took no account" of the special commission's decisions (*ibid.*, No. 4, 1960, p. 70).

³ For the salient passages in a long speech see Stalin, *Sochineniya*, xi, 260-261, 264, 289-290 ; it was first published in *Pravda*, November 24, 1928, and was the only speech to be published.

The resolution of the session on the control figures for 1928-1929 made up for any past neglect of agriculture by listing "the grain problem" first among the "chief sectors of the economic front to which special attention must be paid". It recognized that "a prolonged growth of industry becomes an objective impossibility without a corresponding growth of agriculture", and asserted that "the danger of a wider gap between the development of industry and the development of its agricultural base is the chief danger of the present moment". The resolution for the first time distinguished between the two sources from which the increase could be expected to accrue, demanding in 1929 a 7 per cent extension in the area under grain and 3 per cent increase in harvest yield;¹ and these percentages were duly incorporated in the control figures.² The special resolution on the grain situation in the North Caucasian region noted that the sown area had reached only 88 per cent, and the value of produce marketed only 57.2 per cent, of the pre-war figure; the proportion of grain put on the market was especially low. The work of the regional party committee must be based on "the necessity of strengthening the class positions of the proletariat in the countryside and further limiting capitalist-*kulak* elements". *Kontraktatsiya* and the supply of tractors, the extension of *kolkhozy* and *Sovkhozy*, the improved organization of *batraks* were all commended. The resolutions were carried unanimously.³ Immediately after the session the Moscow party committee met. A speech by Molotov referred to "comrades who recently committed certain errors, especially in

¹ *KPSS v Rezolyutsiyakh* (1954), ii, 528-530; for the parts of the resolution relating to industry see p. 325 below.

² *Kontrol'nye Tsifry Narodnogo Khozyaistva SSSR na 1928-1929 god* (1929), pp. 19, 219. The control figures somewhat mysteriously referred to "a 15-17 per cent increase [in grain prices] already carried out by the government" (*ibid.* p. 51; for the decree of July 1928 see p. 84 above). On the other hand they were cautious about the planned grain collections, predicting a decline in marketed grain, in terms of value at 1926-1927 prices, from 463 million to 430 million rubles (*Kontrol'nye Tsifry Narodnogo Khozyaistva SSSR na 1928-1929 god* (1929), p. 478); this was said to be equivalent to a target of 9.8 million tons in 1928-1929 compared with 10.4 millions in the previous year, though owing to changes in the method of computation the comparable figure for 1927-1928 should have been 11.1 millions (*Ekonomicheskoe Obozrenie*, No. 1, 1929, p. 111; No. 11, 1929, pp. 131-132, 145).

³ *VKP(B) v Rezolyutsiyakh* (1941), ii, 305-310; the resolution on the North Caucasian region was omitted from later editions.

adopting conciliatory attitudes in regard to the Right deviation", but mentioned no names. A resolution was passed relieving Uglanov of the secretaryship of the committee at his own request, and appointing Molotov and Bauman in his place. Other changes were sufficient to justify a description of what took place as a purge in the leadership of the Moscow organization.¹ A party meeting on November 30, 1928, which was once more addressed by Molotov, expressed enthusiastic approval of the resolutions of the party central committee.² Rykov, speaking on the same day at a party meeting in Leningrad, remained faithfully within the party line, but, while duly condemning the Right deviation, also criticized *Komsomol'skaya Pravda* for attacking it with excessive ferocity.³ At the highest level no direct sanctions were imposed; even Frumkin was not dismissed from his post. But the departure of Tomsky a month later from the presidency of the trade union central council was in part, at any rate, a sequel of these proceedings.⁴

The last months of 1928 brought a slow but inexorable widening of the rift between the two groups in the party leadership, between those who still believed in the conciliation of the individual peasant as the way to guarantee grain supplies, and those who had become convinced that grain, at the prices which the state and industry could afford to pay, could in the long run be got only by fighting the *kulak* and collectivizing production. The rift accurately reflected — being in part cause, in part effect — the growing exacerbation of relations in the countryside between the peasants who held the grain and the authorities concerned in the grain

¹ Molotov's speech and the resolution were published in *Pravda*, November 28, 1928.

² The resolution was published *ibid.* December 1, 1928, Molotov's speech *ibid.* December 4, 1928; Uglanov's fall was tempered by his appointment as People's Commissar for Labour (see p. 555 below).

³ *Pravda*, December 4, 1928.

⁴ See pp. 559-560 below. According to *Sotsialisticheskii Vestnik* (Berlin), No. 22-23 (188-189), December 5, 1928, p. 22, Voroshilov got into trouble for a report "about the strengthening of anti-government moods in the army in connexion with peasant policy" (for Voroshilov's anxiety on this point see p. 57, note 8 above); Stalin wished to dismiss him, but was persuaded to hold his hand. The rumour, whether true or not, illustrated the nervous atmosphere in Moscow at this time.

collections. Throughout 1928, following the grain collections crisis of January–March, the legal security of the well-to-do peasant had been progressively whittled away. On March 24, 1928, the Special Collegium on Land Disputes, the highest instance on disputes about land tenure, issued a ruling that households “whose income from non-working occupations provides the fundamental and fully adequate source of their livelihood” could not be considered as working peasant households within the meaning of article 9 of the agrarian code of 1922, and were therefore not entitled to hold land. By a further ruling of June 21, 1928, land cultivated exclusively by hired labour was liable to confiscation under the same article.¹ Whether or not these rulings were applied in practice, they were a standing threat to any who resisted the voice of authority. Other expedients were also found. Article 60 of the agrarian code provided that the holder of land who left it “without economic utilization”, or leased it in contravention of the law, should be temporarily deprived of it by the land community to which he belonged “for a period of not more than one rotation”. This clause had apparently never been invoked. But now the Narkomzems of the Union republics issued an instruction to the effect that a reduction of sowings was “one of the most glaring forms of leaving land without utilization”, and that, “where the land communities fail to apply article 60 with sufficient severity to their members who deliberately reduce sowings”, the village Soviets should intervene and report the abuse to the land commissions;² in the Ukraine *kulaks* were deprived on this ground during 1928 of 61,000 hectares of land.³ The attempt to enforce restrictions on leasing⁴, whether effective or not, was clearly aimed at well-to-do peasants, the principal beneficiaries of this practice. Stalin in June 1928, in reply to Frumkin’s charge that “the outlawry of the *kulak* led to illegalities in regard to the whole of the peasantry”, emphatically denied that the *kulak* had been placed

¹ *Istoriya SSSR*, No. 3, 1958, pp. 124–125.

² Quoted from the archives, without precise indication of date, *ibid.* pp. 125–126.

³ *Ibid.* p. 126; *Pravda*, December 9, 1928; in the Votsk (later renamed Udmurt) autonomous region 60,000 hectares of good land were taken away from *kulaks* in the spring of 1929 and given to poor and middle peasants, some of it being included in new kolkhozy (*Istoriya Sovetskogo Krest'yanstva i Kolkhoznogo Stroitel'stva v SSSR* (1963), p. 309).

⁴ See pp. 133–134 below.

“outside the law”;¹ and the party central committee at its session in November 1928 again attempted to reassure the well-to-do peasant by a paean of praise for “revolutionary legality”:

Without this, without orderliness and the strict application of rules known to the population in advance, there can be no confidence in the conduct of economic management, of economic accounting, of the individual plan, i.e. there can be no growth of the productive forces of the peasant economy. . . . Revolutionary legality is demanded by *economic necessity*.²

But, where so many channels of legal action had been opened, the promise of immunity from illegal methods of repression, even if it was believed, seemed of little account.

Well-to-do peasants reacted to these reprisals, as they had reacted to the “extraordinary measures”, with increased hostility to the régime and increased lawlessness. Though not all the tales told against *kulaks* were probably true, and by no means all who resisted government measures could plausibly be called *kulaks*, it is clear that attempts were made to stir up opposition among the poorer peasants to such government policies as *kontraktatsiya*, mechanization and the formation of *kolkhozy*, and were conducted sometimes by persuasion, sometimes by bribery and sometimes by intimidation.³ Molotov in September 1928 gave to a Moscow conference of newspaper editors a circumstantial account of the organized flogging, carried out by a group of well-to-do peasants with the connivance of members of the village Soviet, of 300 poor peasants from three villages in the Votsk autonomous region — apparently as the result of a dispute over grazing rights; those responsible were brought to justice and received sentences of from three to ten years’ imprisonment.⁴ Acts of violence against *sel’kors* by disaffected peasants, including assassinations, which had been a feature of the Soviet scene in 1925,⁵ but seem since to

¹ Stalin, *Sochineniya*, xi, 123.

² *KPSS v Rezolyutsiyakh* (1954), ii, 533-534.

³ *Na Agrarnom Fronte*, No. 7, 1929, p. 7; see also pp. 175-176, 212, 224 below.

⁴ *Pravda*, September 26, 1928, January 3, 1929; for another account of this episode from the party archives see *Istoriya Sovetskogo Krest’yanstva i Kolkhoznogo Stroitel’sтва v SSSR* (1963), pp. 308-309.

⁵ See *Socialism in One Country*, 1924-1926, Vol. 1, pp. 196-198.

have died out, came back into the news in the summer of 1928.¹ As the campaign against the Right deviation in the party became more intense, *kulak* misdemeanours attracted greater publicity in the press. The party central control commission passed a resolution calling for severer punishment of those who persecuted sel'kors.² At the end of October 1928, 44 recent assassinations — 14 of sel'kors, the others of officials of various kinds — were attributed by *Pravda* to the “*kulak* terror”; and a few days later *Pravda* recorded “increasingly frequent cases of the burning down of kolkhozy by *kulaks* or the destruction of communally owned machines”.³ In eastern Siberia “an armed counter-revolutionary band”, consisting of survivors of Kolchak's army and of “local *kulaks*”, attacked agricultural communes, village Soviets, peasants delivering grain to the authorities, and party and Soviet officials.⁴ A hostile *émigré* newspaper characterized these events as a “mass terror against rural communists” and a “substitute for peasant revolts”.⁵ The peasant newspaper in a leading article borrowed a term of abuse currently applied to industrial sabotage and dubbed the *kulaks* “wreckers”; the article went on to denounce them as “incendiaries”, “murderers” and “pogrom-makers”, and cited cases of the burning of crops of Sovkhozy and kolkhozy, and of robbery and acts of violence, including “the murder of workers in kolkhozy and Sovkhozy”.⁶ Delegates to the sixth congress of Vserabotzemles in November 1928 alleged that *kulaks* refused to employ *batraks* who belonged to the trade union, and that *batraks* who engaged in trade union or Soviet work were exposed to persecution, sometimes ending in murder.⁷ On November 28, 1928, the fourth Union conference of rabsel'kors

¹ See, for example, *Pravda*, July 20, 1928 (several cases of murder), September 22, 1928 (murder of a sel'kor near Kiev), November 13, 1928 (cases of murder and arson).

² *Ibid.* October 25, 1928.

³ *Ibid.* October 27, November 2, 1928.

⁴ *Istoriya Sovetskogo Krest'yanstva i Kolkhoznogo Stroitel'stva v SSSR* (1963), pp. 317-318.

⁵ *Sotsialisticheskii Vestnik* (Berlin), No. 22-23 (188-189), December 5, 1928, p. 2; the sel'kors were described as having been “converted into controllers from the centre over local policy, executors of the zigzags of communist policy in the lower party organs”.

⁶ *Bednota*, November 1, 1928; a further leading article *ibid.* January 15, 1929, described the burning down of “one of the best kolkhozy” in Smolensk province by the *kulaks*.

⁷ *Pravda*, November 30, 1928; for this congress see p. 141 below.

opened in Moscow (the third had been held two and a half years earlier), and was addressed by Bukharin, who avoided any provocative excursion into recent controversy. He declared that "we must not weaken the rate of our industrial production", and that "the *kulak* has in places taken to arms"; but this made it all the more indispensable to ensure that "the middle peasant will march with us".¹ Pressure was increasing all round. It was clear that the victims of official policy, and those actively engaged in resisting it, were not confined to a narrow circle of "*kulaks*".

This atmosphere of friction and tension did not augur well for the critical business of the grain collections. The improvement in the collections for September and October 1928² was followed by a marked decline in November and December.³ In November 1928 Kubyak, the People's Commissar of Agriculture of the RSFSR, made a report to the TsIK of the RSFSR on the regions of the republic stricken by the harvest failure; these included the great grain-growing regions of the centre and the south-east.⁴ A Ukrainian party conference in the following spring spoke of the difficulties resulting from "a second successive harvest failure affecting the vital agricultural region — the steppe".⁵ The index of agricultural prices on the free market, which had stood at 293 on July 1, 1928, fell to 285 by October 1 under the impact of the harvest and the rise in official prices in August; it began to rise again in October 1928, and by January 1, 1929, had reached the record level of 299, thus placing the private trader in a commanding position.⁶ Some peasants evaded the grain collections by having their grain ground at local privately owned mills and selling the flour to bagmen.⁷ "The well-to-do and *kulak* strata in the countryside systematically and obstinately boycott the collections", wrote one observer; and there had been "a great

¹ The conference was reported in *Pravda*, November 28, December 4, 5, 7, 8, 1928; for Bukharin's speech see *ibid.* December 2, 1928, or, in a fuller version, *Bednota*, December 5, 6, 7, 8, 1928.

² See p. 88 above.

³ For the monthly figures see Table No. 7, p. 943 below.

⁴ *III Sessiya Vserossiiskogo Tsentral'nogo Ispolnitel'nogo Komiteta XIII Sozyva* (1928), No. 1, pp. 2-19; for the "geographical distribution" of the harvest of 1928 see p. 85 above.

⁵ *Kommunisticheskaya Partiya Ukrainy v Rezolyutsiyakh* (1958), p. 459.

⁶ See Table No. 31, pp. 964-965 below; *Pokazateli Kon'yunktury Narodnogo Khozyaistva SSSR za 1923/24-1928/29 gg.*, ed. A. Mendel'son (1930), p. 106.

⁷ *Ekonomicheskoe Obozrenie*, No. 11, 1929, p. 138.

increase in the turnover of private trade between districts".¹ Meanwhile the shortage of the industrial goods which the peasant wanted to buy was as acute as ever. An order of the Narkomtorg of the USSR of January 17, 1929, provided that scarce industrial goods should be distributed regionally "in accordance with the course of the grain collections" — a process perhaps more realistically described as "a stripping of some regions for the benefit of others".² Exchanges in kind were not officially permitted, but were sometimes arranged.³

By the turn of the year the dimensions of the grain crisis were once more apparent. On January 5, 1929, *Pravda* drew attention to the progressive decline in the grain collections from November onwards. Last year's visits of party and Soviet leaders to key regions were repeated on a smaller scale. Mikoyan went to Siberia, Kubyak to Kazakhstan, and Kaminsky to the Middle Volga region; but the reports which they brought back were conflicting and confused.⁴ What happened in the countryside during the first months of 1929 is less fully recorded than the campaign of the previous year. The problem of the grain collections was no longer a novelty which everyone wanted to discuss; above all, nobody knew what to do. The extensive hoards of grain whose discovery and extraction had saved the situation in the critical first months of 1928 no longer existed. The peasantry as a whole was nearer to the hunger line than it had been a year earlier. Animals were sold to pay the agricultural tax; in some places the market price of cattle fell below the official price.⁵ The extraordinary measures which a year earlier had seemed to provide the key were now officially condemned. *Pravda* reported a growing number of "complaints against incorrect action by local representatives of

¹ *Voprosy Torgovli*, No. 4, January 1929, p. 14.

² G. Neiman, *Vnutrennyaya Torgovlya SSSR* (1935), pp. 174-175; *Voprosy Torgovli*, No. 7, April 1929, p. 59.

³ *Ekonomicheskoe Obozrenie*, No. 1, 1929, pp. 124-125.

⁴ *Pravda*, February 24, 1929.

⁵ *Ekonomicheskoe Obozrenie*, No. 11, 1929, pp. 138-139. Slaughtering of animals for lack of fodder also occurred; apprehensions on this point were expressed in a front-page article in *Bednota*, January 4, 1929. Though the number of horses rose from 33,500,000 in 1928 to 34,600,000 in 1929 — an index of recent, rather than of present, prosperity — the number of cattle fell from 70,500,000 to 67,100,000 and of pigs from 25,900,000 to 20,300,000; the number of sheep and goats was unchanged (see tables in *Sel'skoe Khozyaistvo SSSR, 1935* (1936), p. 192).

the Soviet power" which were being investigated by the procurators.¹ In Siberia it was reported that legal sanctions, including the famous art. 107 of the code, had "with very rare exceptions" not been invoked against *kulaks*. But the crisis was desperate, and indulgence was more likely to incur censure than severity. In Siberia, the Urals and Kazakhstan, the party central committee appears to have sanctioned more or less open requisitions under the guise of self-taxation voted by local Soviets; and these "economic repressions . . . on the basis of the law of self-taxation yielded very substantial positive results".² Stalin later spoke of "the Ural-Siberian method of grain collection", and praised it as a way of "mobilizing the toiling strata of the countryside against the *kulaks*".³ In a village of the Novosibirsk department, a commission of poor and middle peasants drew up individual assessments for the grain deliveries necessary to fulfil the plan, calling on *kulaks* to provide 65 per cent of the total amount and middle peasants the remaining 35 per cent: any who refused were required to pay five times the value of the assessment.⁴ Such measures were met by resistance which could not be ascribed exclusively to the *kulaks*. In Siberia mass demonstrations of refusal to deliver grain occurred, and received the nickname of *volynki*.⁵ A naïve but palpably authentic account of a visit to several villages in the Lower Volga region by the woman president of the regional party committee appeared in *Pravda*. In the first village, when the visitor spoke of tightening belts to relieve the food shortage in the towns, a poor peasant angrily denounced the president of the village Soviet and other *kulaks* for hoarding grain; but everyone was too frightened to give information. In the second, those alleged to hold grain were absent, and nothing could be done without them. In the third, peasants had attacked grain collectors with sticks, and the visitor thought it prudent to carry a revolver.⁶

Retrospective light was thrown on these events by the troubled discussions at the sixteenth party conference in April 1929 and the

¹ *Pravda*, February 2, 1929.

² *Shestnadsataya Konferentsiya VKP(B)* (1962), pp. 76, 322-323, 780, note 57.

³ Stalin, *Sochineniya*, xii, 88, 90.

⁴ *Istoriya Sovetskogo Krest'yanstva i Kolhoz'nogo Stroitel'stva SSSR* (1963), p. 128.

⁵ *Shestnadsataya Konferentsiya VKP(B)* (1962), p. 323.

⁶ *Pravda*, June 26, 1929.

fifth Union Congress of Soviets in the following month.¹ Eikhe, a member of the party central committee, referring especially to Siberia, attempted to refute the charge that "extraordinary measures are acquiring rights of domicile in the party", but was convinced that "without a struggle with the capitalist elements in our country we shall not realize the plan".² In Ajaria, Stalin admitted "disturbances" and "a so-called 'rising'", while protesting to the party central committee against attempts by the opposition to magnify "this insignificant trifle".³ In the Lower Volga region an attempt had been made to advertise wagon-loads of goods received from the factories and to make them available only to those who had delivered grain. Soon, however, more drastic methods had been necessary, including "repeated self-taxation" and "a boycott in various degrees and various forms": one delegate described this, amid laughter, as a process of "'growing into' extraordinary measures".⁴ Nobody denied that abuses had occurred. Budenny, whose civil war record still gave him wide popularity, protested against "forms of compulsion" and "a bureaucratic approach" applied to peasants who often did not understand what was demanded of them; at the fifth Union Congress of Soviets a few weeks later he and Rykov spoke of errors and excesses.⁵ Another delegate to the congress observed that "we constantly read in the newspapers that violent measures are not permitted, but they none the less continue".⁶ References were made later to "so-called 'measures of social action' applied in regard to malicious withholders of grain (deprivation by general assemblies of members of the right to receive scarce goods at the cooperatives, denial of credits, exclusion from membership of the cooperatives etc.)" and to private speculators being driven underground.⁷ These side-lights do not suggest that reluctance to revert to the "extraordinary measures" of the first months of 1928 was a serious obstacle to the grain collections of 1928-1929.

The collections, conducted under these difficult conditions,

¹ For this conference and congress see pp. 252-255 below.

² *Shestnadsataya Konferentsiya VKP(B)* (1962), pp. 91-92.

³ Stalin, *Sochineniya*, xii, 97.

⁴ *Shestnadsataya Konferentsiya VKP(B)* (1962), pp. 174, 387; the ironical reference was to Bukharin's formula of "growing into socialism".

⁵ *Ibid.* p. 415; *SSSR: 5 S"ezd Sovetov* (1929), No. 2, p. 18; No. 16, p. 6.

⁶ *Ibid.* No. 3, p. 6.

⁷ *Ekonomicheskoe Obozrenie*, No. 11, 1929, p. 140.

went from bad to worse. After the decline of November–December 1928,¹ the totals of the collections for January–March 1929 were only a fraction of those for 1928, and far below even those of the two preceding years. The amounts collected fell off from month to month, and the proportion of wheat and rye in the collections also declined. A slight last-minute improvement, attributed by Mikoyan to “pressure on the *kulak* and mobilization of the social activity of middle and poor peasants”, occurred in May and June.² But, when the agricultural year ended on June 30, 1929, the official collections accounted for only 8·3 million tons of grain against 10·3 millions in 1927–1928; and this included only 5·3 million tons of wheat and rye against 8·2 millions in the previous year.³ Figures made public by Mikoyan in June 1929 showed that the Ukraine, the North Caucasian region, the Crimea and the Central Black-Earth region, which together had contributed 67·5 per cent of the grain collected in 1927–1928, contributed only 31·1 per cent in 1928–1929; the percentage from the Ukraine alone fell from 40·8 to 15·2.⁴ Throughout the producing regions of the USSR the proportion of the grain harvest absorbed by the official collections, which had stood at 17·1 per cent in 1926–1927 and 17·6 per cent in 1927–1928, fell in 1928–1929 to 14·2 per cent; in the southern regions it was only 11·5 per cent, in the central regions 12·2 per cent, in the eastern regions 20 per cent. The fall occurred almost exclusively in wheat and rye, the essential crops for human consumption.⁵ The deficiency had been met partly by grain imports, but mainly by mixing barley and maize with wheat and rye in bread-making, by coarser grinding, and by bread rationing.⁶ Above all it was the private trader who stepped into the gap. Having obtained only 14 per cent of the marketed grain in 1926–1927 and 12 per cent in 1927–1928, he secured 23 per cent in 1928–1929: his greatest success was in the great grain-growing regions of the south (the Ukraine and the northern Caucasus),

¹ See p. 99 above.

² *Bol'shevik*, No. 15, August 15, 1929, p. 17.

³ See Table No. 7, p. 943 below.

⁴ *Pravda*, June 27, 1929.

⁵ *Ekonomicheskoe Obozrenie*, No. 11, 1929, pp. 141–142; see *ibid.* p. 135 for a table showing that the grain collections in the southern regions sank from 5,461,000 tons in 1927–1928 to 2,176,000 in 1928–1929; in the central regions they rose from 2,545,000 to 2,648,000 tons, in the eastern regions from 2,108,000 to 3,303,000 tons.

⁶ For these measures see pp. 700–702 below.

where 29 per cent of the marketable grain passed through his hands. By no means all this grain reached the large centres; "movements of grain from region to region" provided the private trader with a part of his profits. December 1928 and January 1929 were described as "the honeymoon months in inter-regional speculation in grain". Thereafter "measures against speculation in grain were applied more severely", and private trade was largely driven underground.¹ But enough had been done to play havoc with the official collections and to demonstrate the powers of resistance and survival of the private market in grain.

The grain crisis found expression in violent price movements. From October 1, 1928, both official and free market prices for agricultural products rose steadily. Free market prices of wheat at the end of 1928 varied in different regions between 119 and 341 per cent of official prices; of rye between 119 and 384 per cent; of oats between 127 and 307 per cent.² After January 1, 1929, private prices for agricultural products soared out of all relation to official prices.³ The discrepancy was particularly marked in prices for grain. Free market prices for grain exceeded those of the previous year in proportions varying from 37-38 per cent (Volga regions) and 39 per cent (Siberia) to 130 per cent (northern Caucasus), 151 per cent (Central Black-Earth Region) and 178 per cent (Crimea); in the USSR as a whole average free market prices were exactly double those of the previous year, and more than double for wheat and rye.⁴ It was calculated that the producing regions had received 932 million rubles in payment for their products in 1928-1929 as against 666 millions in the previous year.⁵ The "price scissors" between agricultural and industrial commodities, which were still favourable to industry if calculated in terms of the official prices, were now weighted in terms of free market prices in favour of agriculture,⁶ though the shortage of industrial goods made the advantage largely illusory. The gap between official and free market prices widened as the year went

¹ *Planovoe Khozyaistvo*, No. 10, 1929, p. 95 — an instructive account.

² *Statisticheskoe Obozrenie*, February 1929, p. 66.

³ See Table No. 31, pp. 964-965 below.

⁴ *Ekonomicheskoe Obozrenie*, No. 11, 1929, pp. 144-145; *Planovoe Khozyaistvo*, No. 10, 1929, p. 96.

⁵ *Ekonomicheskoe Obozrenie*, No. 11, 1929, pp. 144-145.

⁶ *Ibid.* No. 11, 1929, p. 140.

on. Between March 1 and April 1, 1929, the free market price of wheat rose by 23.6 per cent.¹ The free market price of flour in April 1929 was three times that of April 1928 in the producing regions, and four times in the consuming regions.² The rise in grain prices, combined with the policy of maintaining fixed bread prices in the towns, led to a strange anomaly in the Ukraine, where peasants were said to be buying bread in the towns to feed themselves and their animals, and selling grain at inflated prices on the free market.³ Such conditions made it certain that no grain would be delivered to the official collecting organs at official prices except under some degree of compulsion. Even kolkhozy were said to be selling their grain on the private market.⁴ The system of voluntary deliveries had broken down.

¹ *Planovoe Khozyaistvo*, No. 5, 1929, p. 61.

² *Na Agrarnom Fronte*, No. 5, 1929, pp. 81-82.

³ *Ekonomicheskoe Obozrenie*, No. 1, 1929, p. 119.

⁴ *Bol'shevik*, No. 19, October 15, 1929, p. 17.

CHAPTER 4

LAND AND THE PEASANT

THE lull which followed the violent controversies of 1925 about agrarian policy encouraged an attempt to clear up the long standing ambiguities of agrarian legislation. The RSFSR had enacted an agrarian code in the autumn of 1922, and this had been taken over with minor amendments by the other principal republics.¹ But the constitution of the USSR adopted at the end of 1923 included among the functions of the central government "the establishment of general principles of the consolidation and utilization of land"; and nothing had hitherto been done to carry out this provision. In the summer of 1926 the standing commission of the Sovnarkom of the USSR on legislative proposals² drew up a set of draft "General Principles of the Utilization and Consolidation of Land" to be promulgated by the TsIK of the USSR. Faced with this formidable document, Sovnarkom decided at its session of June 29, 1926, to place the question on the agenda of the session of TsIK in the following year, and in the meanwhile to request the Communist Academy to examine the draft in consultation with the best available economic and legal experts.³ A counter-draft, only one-third as long and less far-reaching, was submitted by the Sovnarkom of the RSFSR; and another arrived later from the White Russian SSR, which complained that the draft of the Sovnarkom commission was an unconstitutional attempt to impose an "all-Union agrarian code".⁴ The rival drafts were debated at length at meetings in the agrarian section of the academy under the presidency

¹ See *The Bolshevik Revolution, 1917-1923*, Vol. 2, p. 296; *Socialism in One Country, 1924-1926*, Vol. 2, p. 236, note 2.

² For this body see *Socialism in One Country, 1924-1926*, Vol. 2, p. 245.

³ *Na Agrarnom Fronte*, No. 5-6, 1926, p. 93.

⁴ For the drafts see *ibid.* No. 5-6, 1926, pp. 95-110; No. 10, 1926, pp. 77-80; the RSFSR draft was referred to by A. P. Smirnov, the People's Commissar for Agriculture, as "the draft of Narkomzem" (*ibid.* No. 11-12, 1926, p. 131).

of Milyutin from September 30 to October 4, 1926, and more briefly by the law and government section on October 14, 1926. In the following month, they were discussed with the peasant members of the TsIK of the RSFSR, then in session in Moscow.¹ Finally, on January 15, 1927, the presidium of the academy adopted a formal resolution embodying the views of the agrarian section on the drafts.² This found the RSFSR draft "more acceptable" than that of the USSR commission, which entered into "superfluous details", but criticized both drafts for their omissions and pointed to no clear or accepted solution of the complex issues involved. The fourth Union Congress of Soviets in April 1927 approved the preparation of the draft and called for "a continuation of the discussion . . . both at the centre and in the localities".³ Nothing more transpired till the session of the TsIK in October 1927, when Milyutin once more proposed to adjourn the question to the next session for further informal discussion: this was agreed to.⁴

Simultaneously, however, with this decision, a directive from the party central committee of October 20, 1927, gave the project a fresh start, reflecting the new preoccupations of policy in the autumn of 1927. The declared aim was now defined as "the greater strengthening of the rôle and significance of socialist construction in agriculture". It was proposed "to limit the practice of separation into *otrubs* and especially *khutors*, and to bring these to an end altogether when they lead to the growth of capitalist elements"; this abrogated the free choice between different forms of tenure conceded by the agrarian code of 1922 and reaffirmed in 1925. Support was also promised for Sovkhozy and other forms of collective cultivation.⁵ Krzhizhanovsky at the fifteenth party congress attached "colossal importance" to these directives, which gave "direct indications pointing precisely to

¹ For these discussions see *ibid.* No. 9, 1926, pp. 81-126; No. 10, 1926, pp. 69-76; No. 11-12, 1926, pp. 127-146. The reports of the speeches are evidently much abbreviated; a subsequent article (*ibid.* No. 2, 1927, pp. 18-23) quoted from a printed stenographic record passages which do not occur in these reports.

² *Ibid.* No. 1, 1927, pp. 100-104.

³ *S"ezdy Sovetov v Dokumentakh*, iii (1960), 130.

⁴ *2 Sessiya Tsentral'nogo Ispolnitel'nogo Komiteta Soyuza SSR 4 Sozyva* (n.d. [1927]), pp. 730, 763.

⁵ *Izvestiya Tsentral'nogo Komiteta VKP(B)*, No. 44(217), November 28, 1927, pp. 3-4.

the overlaying (*perekrytie*) of individual farming by collective peasant farming".¹ Thus challenged, Sovnarkom appointed a commission of economic and legal experts presided over by Milyutin. A revised draft prepared by this commission, substantially longer than any of the original drafts, was submitted in April 1928 to the session of TsIK, which decided to refer it to the central executive committees of the republics "for preliminary discussion by workers and peasants in local Soviets and Soviet public organizations", and requested that it should be re-submitted at the next session with any necessary amendments.² The amended draft, which was said to have been discussed by a large number of executive committees, village Soviets, land communities, and groups of poor peasants, was presented by Milyutin in a long report to the session of TsIK in December 1928, and adopted after a perfunctory debate; the TsIKs of the union republics were requested to bring their legislation into line with the new enactment within six months.³

Notwithstanding the somewhat tenuous constitutional status of the general principles, the document embodying them was now freely referred to as a "law". But the delay of two-and-a-half years between the original proposal and the final decision was an index of the complexity of the questions involved, and perhaps also of the futility of the attempt to regulate them by a single legislative act. The invitation to the republics to amend their agrarian codes evidently proved an embarrassment. A revised draft code for the RSFSR was prepared in Narkomzem, and, having been amended and approved at a meeting of the collegium of Narkomzem on May 22, 1929, was submitted to the Sovnarkom of the RSFSR.⁴ It never appears to have made any further progress, and was later condemned as a "step backwards" from the general principles.⁵ The task of revising the agrarian codes of the republics in the light of the general principles re-

¹ *Pyatnadsatyi S"ezd VKP(B)* (1962), ii, 903.

² *3 Sessiya Tsentral'nogo Ispolnitel'nogo Komiteta Soyuza SSR 4 Sozyva* (1928), p. 763; the revised draft was printed in *Bednota*, June 15, 1928.

³ *4 Sessiya Tsentral'nogo Ispolnitel'nogo Komiteta Soyuza SSR 4 Sozyva* (1928), No. 12, pp. 1-38; No. 17, p. 46; No. 33, pp. 1-9; No. 34 (*Postanovleniya*), pp. 32-47. The text also appeared in *Sobranie Zakonov*, 1928, No. 69, art. 642.

⁴ *Bednota*, May 25, 1929.

⁵ *Trudy Pervoi Vsesoyuznoi Konferentsii Agrarnikov-Marksistov*, i (1930), 337.

remained unfulfilled. But the general principles, and the discussions preceding their adoption, provided a valuable index to thinking and policy-making during these years regarding agriculture and those engaged in it.

The ownership of land was an alien and relatively modern innovation in Russian social and legal thinking. Under the traditional conception, the monarch was lord of the lands over which he ruled ; the peasant enjoyed a right of use over the land which he tilled with his own labour and that of his family. These rights were fundamental ; all other rights in land derived from these. When the Tsar donated land to faithful retainers, the substance of the donation was not so much the land as the peasants who worked it. Labour, not land, was the scarce factor ; the land without the peasants would have been an empty gift. It was not till the eighteenth and nineteenth centuries, with the advent of capitalism, that land became a commodity which could be freely bought and sold without regard for those who worked on it — a development consecrated and fostered by the emancipation and, still more, by the Stolypin reform, which sought to extend the legal ownership of land not only by nobles and gentry, but by peasants. This conception of ownership was never accepted by the *narodniks*, the enemies of capitalism, who reverted to the conception of a right to the land vested in those who tilled it. In the controversies which preceded the revolution of 1917 it was Lenin and the Bolsheviks who spoke of the "nationalization" of the land ;¹ the Social-Revolutionaries, finding a word with a suitably mystical tinge, more in keeping with Russian traditions, declared that the land would become the "possession" or "attribute" (*dostoyanie*) of the people.

The land decree issued on the morrow of the October revolution proclaimed the confiscation of landlords', but not peasants', land, and adopted in its entirety the SR model decree for the forthcoming Constituent Assembly. This demanded the abolition of private property in land, the conversion of all land into "a possession of the whole people", and its transfer for use by all

¹ Lenin consistently explained that nationalization was a demand, not of the socialist, but of the bourgeois-democratic, revolution, and was "an expression of capitalist development in its purest form" (*Sochineniya*, xi, 408, 415).

those working on it. The decree of February 19, 1918, also enacted in agreement with the Left SRs, went no further on these points.¹ The decree of February 14, 1919, in proclaiming the necessity of a "transition from individual to collective forms of the utilization of land", described all the land in the RSFSR as constituting "a single state fund".² The agrarian code of the RSFSR of December 1922 for the first time plainly described the land as "the property of the workers' and peasants' state" (art. 2), though it also repeated the formula of the "single state fund", and conferred the right to use the land for agricultural purposes on "all citizens of the RSFSR (without distinction of sex, creed or nationality) desirous of working it with their own labour" (art. 9); this right was declared to be "without limit of time" (art. 11).³ No question of rent arose; the user of the land was not a tenant of the state. But the user of the land was not its owner; the land could not be bought or sold, mortgaged, donated, bequeathed or made the subject of an exchange. The restrictions and reservations with which the right to lease land was hedged about proved meaningless in practice. But the theoretical concept of the ownership of land remained fluid and obscure. Under Soviet rule, as under the Tsars, no clear distinction was drawn between ownership and sovereignty. Land occupied by Sovkhozy or by state trusts was "state property" in one sense, which included the exercise of rights in civil law; the rest of the land was "state property" in another sense, which was in effect limited to public law functions. The first article of the general principles declared emphatically that "all kinds of bargains which in direct or concealed form infringe the principle of the nationalization of the land (purchase and sale, mortgage, gift, bequest of land, voluntary illegal exchange of land etc.) are invalid and involve criminal responsibility for those participating in them".

When the first drafts of the general principles were prepared in 1926, the pressure for security of tenure, even in forms verging on the recognition of private property in land, was still strong.⁴ All

¹ For these decrees see *The Bolshevik Revolution, 1917-1923*, Vol. 2, pp. 35, 43-45.

² See *ibid.* Vol. 2, pp. 154-155.

³ See *ibid.* Vol. 2, p. 296; art. 21 of the civil code of the RSFSR of 1922 (see *ibid.* Vol. 2, pp. 342-343) repeated the old SR formula describing the land as "a possession of the people".

⁴ See *Socialism in One Country, 1924-1926*, Vol. 1, pp. 247-249, 267.

three drafts followed the code of 1922 in describing the right to use land as "without limit of time"; the USSR draft specifically declared that land vested in land communities, in kolkhozy or in individual *dvors* was not subject to further repartition (art. 48).¹ But before the final text was adopted in 1928, a certain reaction had set in, and more cautious attitudes prevailed. The approach to a collective agriculture made it politic to stress the principle of the nationalization of the land rather than the apparent derogations from it in practice.² The general principles declared the land to be "state property of the USSR", thus ending the dispute whether it belonged to the USSR, which had not existed when nationalization had been first enacted, but had since assumed *de facto* rights over the land by granting concessions to foreign enterprises and by allocating land to migrants, or to the RSFSR and other republics, which had issued agrarian codes declaring the land their property. A suggestion from the White Russian SSR to solve this conundrum by distinguishing between land as territory under public law, which was part of the USSR, and land as a category of agrarian law, which was the property of the republic concerned,³ met with no support. Unlike the 1922 code, the general principles offered a detailed list of those entitled to use land: these included "land communities and other unions with individual or mixed forms of cultivation", *dvors*, kolkhozy, Sovkhozy and other state (or municipal) undertakings, and "social organizations (peasant committees of mutual aid, committees of poor peasants etc.)" (art. 5). But the baffling point was that some of these units were not alternative, but overlapping. A commentary on one of the drafts of the principles aptly noted that rights over the same land were recognized at four different levels — rights of the individual, of the *dvor*, of the land community or *mir*, and of the state.⁴ The rights of the user of the land, though in

¹ This provision was attacked in the party journal as a derogation from the principle of nationalization (*Bol'shevik*, No. 1, January 1, 1927, p. 44).

² Stalin in December 1929 observed that "we have no private property in land to fetter the peasant to his individual holding, and this makes collectivization easier" (Stalin, *Sochineniya*, xii, 153).

³ *Na Agrarnom Fronte*, No. 10, 1926, p. 77.

⁴ *Ibid.* No. 5-6, 1926, p. 96; the remark of a peasant was also quoted: "At present there is no definite lord of the land. On the one hand, the land is nationalized, on the other, the land community disposes of it, and thirdly, the individual peasant thinks of it as his" (*ibid.* No. 4, 1927, p. 62).

part of a civil law character, implying rights limited only by the provisions of public law, retained traces of their feudal antecedents, carrying with them the obligation to utilize the land under certain conditions and within a certain social framework. The right to use land was accorded no longer "without limit of time", but "without the fixing in advance of any time-limit" (art. 10). It was pointed out in the discussion that the original term had been misinterpreted as meaning "for ever".¹

The peculiar character of land tenure was illustrated by the difference in the situations arising in regard to land and other forms of property in the event of the peasant household severing its ties with the land community or *mir*. In some cases, the land was divided, and the seceding *dvor* took its share; in others, it forfeited its right altogether. But the decision rested with the local land commissions, which were state organs.² Article 25 of the agrarian code of 1922 provided that "all installations, buildings, sowings, crops and in general everything connected with the plot of land in the possession of the user of the land, belong to him"; and disputes about these went to the courts and were dealt with under civil law. But the theoretical issue of ownership was overshadowed by the practical question of compensation, since the greater part of such property went with the land, and could not be separated from it; and the difficulty of laying down strict legal rules for matters which were settled in practice by local custom³ once more became apparent. It was common knowledge that land continued to be bought and sold "in one form or another".⁴

¹ *Na Agrarnom Fronte*, No. 9, 1926, p. 114; the resolution of the presidium of the Communist Academy of January 15, 1927 (see p. 107 above) noted that the phrase was open to "serious misunderstandings".

² A joint instruction of Narkomzem and Narkomyust of 1920 referred all disputes about land and land utilization to "the land departments of the Soviets", apparently with safeguards for the judicial character of the proceedings (*O Zemle*, i (Narkomzem, 1921), 153-159); the exclusion of "disputes about land" from the competence of the courts was confirmed in a decree of March 10, 1921 (*Sobranie Uzakonenii*, 1921, No. 15, art. 97).

³ In the Volga German autonomous republic, an heir excluded from the household by application of the principle of indivisibility was compensated by a mortgage on the land or out of the movable property of the household (*O Zemle*, i (Narkomzem, 1921), 85); this implied a fairly prosperous community and developed monetary economy.

⁴ *a Sessiya Tsentral'nogo Iсполnitel'nogo Komiteta Soyuza SSR 4 Sozyva* (n.d. [1927]), pp. 722-723; articles in *Pravda*, September 26, 1928 and *Bednota*,

The general principles as finally adopted in 1928 omitted the statement of principle on immovable property in art. 25 of the 1922 code, and confined themselves to the stipulation that provision should be made in the legislation of the republics for "compensation for expenditures and for accrued improvements", and for the granting of credits to poor peasant households required to pay such compensation (art. 13). The principle that no property could exist in the land itself remained intact.

The smallest unit in Russian agriculture, for purposes both of tenure and of cultivation, was from time immemorial the peasant *dvor* or household. In a primitive and weakly organized rural society the *dvor* performed an essential function. "The individual citizen", observed the note attached to the USSR draft principles of 1926, "has no direct or independent right to land; he can utilize the land only as member of a *dvor* or of an agricultural collective." It was the *dvor* or the collective which "enjoys the right of working utilization in the full sense".¹ Yet, notwithstanding this powerful and pervading sentiment, the *dvor*, in the period when the general principles were under discussion, was in process of slow decay. The patriarchal family, in which the father ruled over his sons and his wife over her daughters-in-law, and which sometimes included servants and dependants added to the family by adoption,² belonged to the epoch of serfdom and of

October 11, 1928, complained of evasions of the nationalization of land under the guise of sale of buildings, etc.

¹ *Na Agrarnom Fronte*, No. 5-6, 1926, p. 97. The 1922 code which, having defined the household as "a family working union of persons engaged together in agriculture", inconsequently added that "a household can consist of a single person without a family" (art. 65); in practice anyone seceding from a household did so in order either to found a new household with his dependants or to become a landless worker in town or country.

² Rural "adoption" to fill a gap in a depleted or expanding *dvor* had been recognized throughout Russian history under the name *prīmachestvo*. Adoption in general (usynovlenie) was prohibited by art. 183 of the first Soviet marriage code of 1918 (*Sobranie Uzakonenii*, 1918, No. 76-77, art. 818). The motives of the prohibition were desire to prevent evasion of the law of inheritance, which limited the right of inheritance to near relatives, fear of the use of adoption to exploit child labour, and the assumption that orphan children would be better cared for in public institutions (Ya. Brandenburgsky, *Kurs Semeino-brachnogo Prava* (1928), pp. 122-123); a typical case in which a child was adopted and worked for two or three years without pay, and was then turned out, was quoted

a natural economy. At the end of the nineteenth century, the average number of members of a *dvor* was between five and six ; only in a few provinces of the Black-Earth region — Voronezh, Tambov and Ryazan — did it exceed six.¹ In the middle nineteen-twenties the average number of members was no more than 5.2. Among well-to-do peasants alone did some vestige remain of the *dvor* as an enlarged family united by a common economic activity. A breakdown of *dvors* into social categories showed a marked variation in the number of members :

	Households	Population	Average Membership of Household
Poor Peasants	5,200,000	22,400,000	4.3
Middle Peasants	13,900,000	76,700,000	5.5
<i>Kulaks</i>	780,000	5,000,000	6.3

Another calculation showed that the average membership of a household with less than 2 desyatins of land was 4.3, and of a household holding more than 16 desyatins 6.4.² Conditions certainly varied from region to region. In Siberia in the late nineteen-twenties it was still possible to find an aged *kulak* at the head of a "patriarchal family" of 22,³ though this was now an exceptional phenomenon.

in *Vserossiiskii Tsentral'nyi Ispolnitel'nyi Komitet XII Sozyva : 2 Sessiya* (1925), p. 250). Prohibition of adoption was presumably intended to apply to *prïmachestvo*, which was bracketed with it in another article of the code (art. 182). If so, it was not effective : *prïmachestvo* was explicitly recognized in art. 66 of the agrarian code of the RSFSR of 1922 as a means of adding to membership of the household. The prohibition on adoption disappeared in the revised marriage code of the RSFSR of 1926 (*Sobranie Uzakonenii, 1926*, No. 82, art. 612). In Siberia in the later nineteen-twenties *kulaks* were said to have "adopted" *batraks* in order to evade Soviet labour laws (*Istoriya Sovetskogo Krest'yanstva i Kolkhoznogo Stroitel'stva v SSSR* (1963), p. 128). A curious provision relating to membership of the *dvor* was adopted by the TsIK of the RSFSR in April 1928 : "If a member of a *dvor* is condemned for bigamy, polygamy, or contracting a marriage with a person who has not attained marriageable age, the women who have been the victims of these crimes enjoy all the rights enjoyed under existing legislation by persons who enter the household by way of marriage" (*Sobranie Uzakonenii, 1928*, No. 47, art. 357).

¹ A. Chayanov, *Organizatsiya Krest'yanskogo Khozyaistva* (1925), pp. 21-22.

² *Bol'shevik*, No. 22, November 30, 1927, pp. 40-44.

³ *Derevenskii Kommunist*, No. 7 (79), April 5, 1928, p. 33.

The *dvor*, as the unit of a primitive natural economy, rested on the presumption that, within the unit, work was performed, and its fruits enjoyed, in common without the introduction of monetary calculation on either side of the equation. Once opportunities of non-agricultural earnings, or of agricultural earnings outside the household, were open to its members, and once they became dependent on the purchase of manufactured goods, however simple, the foundations of a monetary economy had been laid. Before the revolution, it was estimated that 6.5 million peasants left their holdings temporarily every year to earn wages, 3 million as agricultural workers, 2.5 million in building or road-making, 1 million in other forms of employment;¹ from one-quarter to one-half of the receipts and outgoings of the peasantry in the central regions of Russia were in monetary form.² The element of personal property and personal gain was, however, incompatible with the functioning of the household as a communal unit. Disputes revolved round the question what proportion of the external earnings of members of the *dvor* should be paid into the common fund, i.e., in practice, to the head of the *dvor*,³ and round complaints of "inequality in the labour load of individual members".⁴ The incidence of fiscal burdens, falling more heavily on larger units, seems sometimes to have been an incentive to the splitting of *dvors*.⁵ These economic factors were reinforced by social changes resulting from the revolution — the spread of literacy, acceptance of the equality of the sexes and the independence

¹ Yu. Larin, *Chastnyi Kapital v SSSR* (1927), p. 94.

² A. Chayanov, *Organizatsiya Krest'yanskogo Khozyaistva* (1925), p. 82.

³ *Na Agrarnom Fronte*, No. 1, 1928, pp. 23-24; No. 3, 1929, p. 9.

⁴ *Ibid.* No. 3, 1929, p. 10. Another instance of the incompatibility of the *dvor* with a monetary economy was art. 20 of the agrarian code of 1922 providing that "the property of the *dvor* cannot be sequestered for debts of individual members of the *dvor* contracted by them for their personal needs"; this is said to have prevented peasants from obtaining credits from credit cooperatives (*ibid.* No. 9, 1926, p. 90). Art. 77 of the code recognized the ownership by members of the *dvor* of "property for their own personal use . . . acquired out of their personal means", as well as of "property which is recognized by local customs as the personal property of individual members of the *dvor*". Different opinions were expressed on the issue of joint responsibility: "If there are two or three sons in the family, and one of them has committed a crime, the family ought not to have to answer for him"; on the other hand: "If one of the family has done something and is condemned to pay, the family must share" (*Vserossiiskii Tsentral'nyi Ispolnitel'nyi Komitet XII Sozyva: 2 Sessiya* (1925), pp. 250, 296).

⁵ See p. 758, note 5 below.

of the younger generation. "Quarrels among women" and "demands of the younger members of the *dvor*" were constantly cited as motives for its dissolution.¹ The recognition of women as full members of the *dvor* with rights of their own was one of the most radical innovations of the revolution. Divorce between husband and wife, hitherto unknown, had begun to reach the countryside; and, since article 66 of the agrarian code recognized the rights of those who entered the household by marriage or adoption, the divorced wife could claim her share of the land — a situation particularly resented by old-fashioned upholders of the integrity of the *dvor*.² The break-up of a *dvor* in the nineteen-twenties thus frequently took place in an atmosphere of acute family dissension. An account given by a people's judge in the province of Pskov may exaggerate the extent of the bitterness engendered, but fairly describes its character:

Anyone who works in the countryside must constantly observe the intolerable mutual relations of members of the peasant household, ending in embittered mutual strife, frequently resulting in the beating or even torture of the weak by the stronger. This phenomenon in my observation embraces

¹ For much miscellaneous information on these points see *Na Agrarnom Fronte*, No. 8, 1928, pp. 12-14. A bride introduced into the household on marriage made the proverbial remark: "I want to make my own cabbage-soup, I and not my mother-in-law" (*Vserossiiskii Tsentral'nyi Ispolnitel'nyi Komitet XII Sozyva: 2 Sessiya* (1925), p. 247). At the session of the TsIK of the RSFSR Preobrazhensky in October 1926 attributed the disintegration of the *dvor* to the rising cultural level of the younger generation (*Vserossiiskii Tsentral'nyi Ispolnitel'nyi Komitet XII Sozyva: 3 Sessiya* (1926), pp. 678-679); at the fifteenth party conference in the same month Tomsy remarked that "the countryside with its old traditions . . . does not satisfy the modern rural young, who are eager to get away to the town for any kind of work": this applied to children not only of poor peasants but of middle peasants and of some well-to-do peasants (*XV Konferentsiya Vsesoyuznoi Kommunisticheskoi Partii (B)* (1927), p. 288). Of thirty peasants who, in response to an enquiry, offered explanations of the decay of the *dvor*, 18 attributed it to the interference of individual members of the household in its affairs (five mentioning in particular the interference of women), five to the breakdown of discipline (one specifying the diminution of corporal punishment), and four to "the independence of children in matters of marriage, culture and education, and religion" (*Na Agrarnom Fronte*, No. 8, 1928, p. 11). The struggle between the generations was the theme of an article on the decay of the *dvor* in *Bednota*, February 17, 1929, under the heading "Fathers and Children".

² *Vserossiiskii Tsentral'nyi Ispolnitel'nyi Komitet XII Sozyva: 2 Sessiya* (1925), p. 231.

as much as half the total peasant population, and has recently been increasing.

In such cases, when the land commission had refused to divide the already small holdings, the parties "carry out a voluntary division 'on a business basis', and break up the holding into tiny fragments" in order to escape from the torment of family dissensions.¹

During the first decade of the revolution the number of households, which before the revolution had stood at about 16 million, increased by 50 per cent, reaching a maximum of 25,586,000 in 1928.² Down to 1921 the main impulse to the break-up and multiplication of *dvors* undoubtedly came from the reaction against the Stolypin reform and affected primarily the larger and more prosperous *dvors*. But in the NEP period, the process of splitting extended to the middle and poor peasant *dvors*. Kursky, the People's Commissar for Justice of the RSFSR, estimated in 1926 that 2 per cent of all *dvors* split every year, implying the creation annually of half a million new *dvors*: this was "a definite natural process of the break-up of the former many-membered *dvor*".³ In extreme cases the unit ceased to exist; its members found employment elsewhere and the land went out of cultivation. A decree of the RSFSR of October 9, 1925, provided that the property of "extinct" *dvors* should pass to the peasant committee of mutual aid, or, if this did not exist, to the village Soviet.⁴ The number of *dvors* was reported to have declined from 25 million in 1927 to 24.5 million in 1929.⁵

¹ *Na Agrarnom Fronte*, No. 11, 1928, p. 18.

² *Ekonomicheskoe Obozrenie*, No. 7, 1929, pp. 9-19; *Sel'skoe Khozyaistvo SSSR, 1925-1928* (1929), p. 16. Another set of statistics put the number of *dvors* at approximately 21 million in 1916 and 25 million in 1927; even this represented a rise of 19.1 per cent during a period in which rural population had increased by 7.1 per cent (*Istoriya SSSR*, No. 3, 1958, p. 94).

³ *III Sessiya Vserossiiskogo Tsentral'nogo Iсполnitel'nogo Komiteta XII Sozyva* (1926), p. 561; a higher rate than 2 per cent for ten European regions of the RSFSR and for Siberia and the Ukraine is quoted in Ya. Yakovlev, *K Voprosu o Sotsialisticheskome Pereustroistve Sel'skogo Khozyaistva* (1928), p. 354.

⁴ *Sobranie Uzakonenii*, 1925, No. 71, art. 566; for the peasant committees of mutual aid see p. 142 below.

⁵ *Sotsialisticheskoe Stroitel'stvo SSSR* (1934), p. 134; the figure for 1928 quoted above would appear to show that a sharp decline occurred in 1928-1929. A report from Narkomzem at this time indicated that the number of divisions of *dvors* was diminishing in the purely agricultural provinces, but still increasing in "industrial" provinces (*Bednota*, October 15, 1928).

All sections of party opinion, as well as the non-party economists who still exercised influence in Narkomzem, were disturbed by the progressive division of the land into an ever larger number of uneconomic units. Fragmentation was criticized for its adverse effects both on crop yields¹ and on the marketable proportion of the harvest.² But no agreement could be reached on the remedy. Effective prohibition of secessions from the *dvor* meant the establishment of the absolute authority of its head, and his transformation into a capitalist farmer exploiting the tied labour of other members of the *dvor* — the régime of a rural bourgeoisie.³ This was the picture of the *dvor* as conceived by Stolypin; and its maintenance in this form fitted in with the revived, but short-lived, policy of “the wager on the *kulak*” inaugurated in 1925. Attempts to impede the break-up of the *dvor* by legislative action⁴ continued throughout the nineteen-twenties. An instruction issued jointly by the People’s Commissariats of Agriculture and Justice on March 30, 1927, described the policy of the Soviet Government as being “directed to the strengthening of the peasant economy and to the increase of its marketability”; with this end in view it was necessary to prevent “unpractical divisions of working agricultural households”. The division of a *dvor* was permissible only on two conditions: that those separating from it were in a position to create an independent unit of their own, and that the existing unit would retain enough land and inventory after the division to make it viable. Those leaving a *dvor* under other conditions forfeited their right to land, and could obtain a share of the movable possessions only within strict limits.⁵ But it may be doubted whether this harsh measure, designed to maintain the integrity of the *dvor*, was applied in practice.⁶

¹ *Kontrol'nye Tsifry Narodnogo Khozyaistva SSSR na 1928-1929 god* (1929), p. 232; the example quoted was flax.

² *KPSS v Rezolyutsiyakh* (1954), ii, 576.

³ *Na Agrarnom Fronte*, No. 8, 1929, pp. 100-101.

⁴ See *Socialism in One Country, 1924-1926*, Vol. 1, pp. 215-216.

⁵ *Sobranie Uzakonenii*, 1927, No. 32, art. 213; the fourth Union Congress of Soviets in April 1927 named fragmentation as an evil, but prescribed no specific measures (*S"ezdy Sovetov v Dokumentakh*, iii (1960), 130).

⁶ A report by a member of the collegium of Narkomzem in *Bednota*, October 15, 1928, admitted that it had been without effect; a contemporary article, which severely criticized the instruction as incompatible with the party line, quoted protests of local authorities against it (*Na Agrarnom Fronte*, No. 11, 1928, pp. 16-17).

When the final version of the general principles was drafted in 1928, support for the integrity of the *dvor* was less uncompromising. Milyutin once more explained that, in spite of many protests, "we cannot prohibit divisions and distributions" of the land held by *dvors*.¹ In the text as finally adopted, the republics were invited to aim at "prevention of the excessive fragmentation of the working household both by economic means, in particular, by organizing credit for peasant households to compensate seceding members of the *dvor* for their share of the immovable property of the *dvor*, and also by laying down limits of non-divisibility" (art. 13). When, however, the attempt was made to introduce into a revised agrarian code of the RSFSR provisions against fragmentation, Kubyak, the People's Commissar for Agriculture, spoke against the proposal.² To legislate against fragmentation in existing conditions seemed more and more hopeless; and a commentator summed up the dilemma in unambiguous terms:

The policy of the complete indivisibility of the peasant household can be carried into effect in the capitalist way, i.e. by destroying the petty bourgeois peasant household and converting it into a capitalist agricultural enterprise, or in the socialist way by including it in a collective. There is and can be no middle way. . . . In our conditions the only thing that can be indivisible is the socialist collective.³

If, however, the household unit proved, both in theory and in practice, difficult to defend, this threw into greater relief the importance of that other time-honoured instrument for organizing and controlling the anarchy of a peasant economy, the *mir* or *obshchina*, commonly referred to in official documents as a "land community". Throughout the nineteen-twenties the repartitional form of tenure of land by the *mir* persisted everywhere in the RSFSR; in 1927 more than 222 million hectares, or 95 per cent of the agricultural land of the republic, were held in this form.⁴ In

¹ 4 *Sessiya Tsentral'nogo Ispolnitel'nogo Komiteta Soyuza SSR 4 Sozyva* (1928), No. 12, p. 11.

² *Bednota*, May 25, 1929; for this draft code see p. 108 above.

³ *Na Agrarnom Fronte*, No. 11, 1928, p. 26.

⁴ *Itogi Desyatiletiya Sovetskoi Vlasti v Tsifrakh, 1917-1927* (n.d. [1927]), p. 120; a figure of 98-99 per cent of all peasant holdings is quoted for 1922 in

the White Russian SSR the *mir* was virtually non-existent, the *dvor* remaining as the effective unit. The absence of the *mir* was attributed partly to the broken configuration of the land, which made it better suited for live-stock than for grain farming, partly to the abundance of water which made joint organization of holdings less essential, and partly to the influence of former "Polish and German rulers";¹ in the Ukraine west of the Dnieper, which had also known Polish rule, the *mir* was weak, and had generally abandoned periodical redistribution of the land.² In the northern and north-western regions of the RSFSR the proportion of land administered by *mir*s was lower than elsewhere, being quoted for 1922 at from 65 to 75 per cent.³ The size, as well as the constitution and practice, of the *mir* varied very greatly. In 1921 in the thinly populated northern and north-western provinces, an average of less than 20 *dvors* went to each *mir*, the lowest figure being 11.6 for Pskov; in the central provinces the average number of *dvors* was from 20 to 100; in the Ukraine east of the Dnieper and in the south-eastern provinces the average ranged from 100 upwards, the largest recorded average being 547.9 in the province of Stavropol.⁴ Estimates of the ratio of *dvors* to *mir* throughout the country differed widely.⁵ But, where such wide variations

Istoriya SSSR, No. 3, 1958, p. 100. A figure of 91 per cent in 1926, apparently for the whole of the USSR, is quoted in *Bol'shevik*, No. 6, March 31, 1928, p. 44. Confusion sometimes arises from the uncertain relation of the *khutor* to the *mir*. Generally the peasant forming a *khutor* or an *otrub* separated himself from the *mir*; but in some places the holder of the *khutor* remained with the *mir*.

¹ *O Zemle*, i (Narkomzem, 1921), 81; *Na Agrarnom Fronte*, No. 8, 1928, p. 124.

² See *Socialism in One Country, 1924-1926*, Vol. 1, p. 214.

³ *Istoriya SSSR*, No. 3, 1958, p. 100. In the province of Smolensk in 1926-1927 64.8 per cent of the arable land was held in repartitional tenure (M. Fainsod, *Smolensk Under Soviet Rule* (1958), p. 46); widely different figures for a single county in the Smolensk province are quoted in *Na Agrarnom Fronte*, No. 11-12, 1929, pp. 98-99. In Pskov province 77.5 per cent of the land was held by *mir*s in 1920 and 68.2 per cent in 1926 (*ibid.* No. 2, 1928, p. 79).

⁴ *O Zemle*, i (Narkomzem, 1921), 52-53; art. 136 of the agrarian code of 1922 referred to land communities of more than 250 *dvors*, but evidently treated them as exceptional.

⁵ In speeches at the session of the TsIK of the USSR in April 1928, the total number of *mir*s was put in three different passages at 319,000 (3 *Sessiya Tsentral'nogo Ispolnitel'nogo Komiteta Soyuza SSR 4 Sozyva* (1928), pp. 724, 727, 761); in the first passage the figure was said to be for the RSFSR, in the third for the USSR, while the second passage was ambiguous. In the second and third passages the total of *mir*s was accompanied by a total of 73,000 village Soviets; in *Mestnye Byudzhetny za 1926-27* (1929), pp. 8-10, the total of village

occurred, the average *mir* was a purely hypothetical entity.¹

The *mir* remained the most controversial of the current forms of land-holding, being denounced on the one hand as a relic of feudalism and serfdom and a symbol of the backwardness of Russian agriculture, and hailed on the other as a custodian of the collective principle which would one day help to build up a socialist agriculture. Each side produced arguments tending to show that the retention of the *mir* favoured, or obstructed, the rising power of the *kulak*.² These ambiguities militated against the adoption of any clear-cut or consistent attitude towards the *mir*. Most Bolshevik writers before the revolution, including Lenin, assumed without question that the *mir* was an obsolescent

Soviets in the RSFSR was put at 53,000, which tends to confirm the presumption that the totals of 319,000 *mirs* and 73,000 village Soviets were intended to apply to the USSR (for these calculations see D. J. Male in *Soviet Studies*, xiv (1963), 247, note 64). The number of *dvors* in the USSR at this time was about 25 million; assuming that about 80 per cent of these belonged to *mirs*, this would give an average of nearly 70 *dvors* to a *mir*. *Istoriya SSSR*, No. 3, 1958, p. 122, gives an average of 36 *dvors* to a *mir* on land under *kontraktatsiya*; but this may not have been representative.

¹ An article in *Planovoe Khozyaistvo*, No. 12, December 1927, p. 75 remarked that the term "land community" could cover anything from "a collective of three *kulaks*" to "a whole village".

² See *Socialism in One Country, 1924-1926*, Vol. 1, pp. 210-215. A similar uncertainty had existed in the nineteenth century, when conservatives regarded the *mir* as a bulwark of the existing régime, and radical *narodniks* like Herzen hailed it as a stepping-stone to socialism. As a strict Marxist critic pointed out, the argument about the merits and drawbacks of the *mir*, conducted without regard to its current social and economic implications, was not an argument about essentials: "Forms of utilization of land are a function (a product) of the system of social-economic relations, and not vice versa. Hence the assertion that some forms of utilization of land lead to socialism, and others not, is not a Marxist proposition" (*Na Agrarnom Fronte*, No. 10, 1926, p. 90). But this argument could be used on either side. A writer in *Bol'shevik*, No. 19-20, October 31, 1927, pp. 143-149, drew from the thesis that forms of tenure were indifferent conclusions favourable to the *khutor* and *otrub*, and was refuted by another writer who defended the *mir* (*ibid.* No. 23-24, December 31, 1927, pp. 128-134). It seems clear that, at a time when official policy favoured the well-to-do peasant, the *mir*, as well as the *khutor* or *otrub*, could also serve to further his interests. The machinery of repartition was sometimes used to "deprive the poor peasants . . . of their allotments of land" (*Bednota*, June 15, 1926); a case was quoted in which repartition had taken place on the basis not of the number of "eaters", or even of workers, but of the number of animals owned (*Izvestiya*, July 28, 1926, where a *kulak* was said to have justified this arrangement on the ground that "people don't eat hay"). "The peasant who wants to get rich quickly," wrote *Bednota* bitterly, "the peasant with a *kulak* bent, will never leave the *obshchina*" (*Bednota*, October 28, 1926).

institution, and that it was an aim of the revolution to put an end to it. But early NEP legislation remained neutral between different forms of land tenure, purporting to admit complete freedom of choice. The draft general principles prepared by the USSR commission were ambivalent in their attitude to the *mir*. For, while they recognized the "land community" as "a union of *dvors* for the purpose of framing and carrying out on their behalf rules for the utilization of the land" (art. 25), they allowed the "right to the utilization of land" to be vested in a land community only when that community had "gone over to common (collective) utilization of land" (art. 15) — a condition notoriously not fulfilled by the *mir*. On the other hand, later articles of the draft recognized the "land community" as possessing extensive rights over the land and over its members (art. 29), and declared it to be "responsible to the state for the proper and appropriate utilization of the landed properties vested in it" (art. 35).

Diversity of opinions about the functions and future of the *mir* illustrated the bewilderment of the party in face of an apparently insoluble problem. An article by a peasant in September 1926 in the peasant newspaper squarely posed the question :

What is to be done ? The *mir* predominates, and we must come to terms with it. But, without a change in the rules for the common utilization of land, it is no good thinking about an improvement in agriculture, about the common cultivation of the land with the help of machines etc.

And this was followed a few weeks later by a series of short opinions from peasants for and against the *mir* (the majority being against) under the heading "The *mir* holds firm : how to escape from it : The *mir* is breaking down : where to go ?" ¹ The upholders of the *mir* could count on certain prejudices which went back to the SR origins and affiliations of early Soviet agricultural policy. The break-up by the peasantry of *kulak* holdings created by the Stolypin reform took the form of a return to the *mir* ; for socialists to dismantle the strongest and most widespread peasant institution based on the collective principle seemed *prima facie* paradoxical. But the main argument in its favour was of a different and more practical character. As in the Tsarist epoch, the *mir*

¹ *Bednota*, September 11, October 28, 1926.

still served as a convenient instrument through which the authorities could deal with the dispersed and unmanageable mass of peasants.¹ Svidersky, the deputy People's Commissar for Agriculture, in a memorandum submitted to the Communist Academy on the draft general principles, argued that the liquidation of the *mir* as a legally recognized holder of land would "have the further result of depriving the state of the *intermediary organization* through which it now conducts the regulation of agrarian-economic relations, and comes face to face with 24 million *dispersed* peasant households".² In the ensuing debate in the academy Svidersky described the *mir* as "one of the foundations of the nationalization of the land", and added epigrammatically:

Exclude the land community, and you at once render the idea of the nationalization of the land precarious.

The *mir* was the one defence "against the concentration of land in separate hands . . . and against the principle of individual farming"; it was the one guarantee of the principle of equality proclaimed by the revolution. These essentials were preserved so long as the land was vested in the *mir*, "which is responsible to the state for the land handed over to it".³ Another speaker observed that, if the *mir* were abolished by law, it would none the less survive.⁴ It was reported that in 1926 in Leningrad province official propaganda and pressure were being directed to maintain the *mir* and discourage the formation of *khutors* and *otrubs*.⁵ In the same year, a decree of the RSFSR amending article 116 of the agrarian code of 1922 provided that, where no redistribution had taken place since November 1917, and where significant inequality of holdings persisted, redistribution could

¹ Trotsky explained the survival of the *mir* after the revolution by the argument that some form of local organization of the land was "a tactical necessity" (L. Trotsky, *Istoriya Russkoi Revolyutsii*, ii, ii (1933), 36).

² *Na Agrarnom Fronte*, No. 9, 1926, p. 117.

³ *Ibid.* No. 9, 1926, pp. 87-88.

⁴ *Ibid.* No. 9, 1926, pp. 110-111. The fullest statement of the case for the *mir* at this time came from the former Menshevik Sukhanov (*ibid.* No. 11-12, 1926, pp. 97-110); Sukhanov at the conference of agrarian Marxists in December 1929 called the *mir* "the smallest cell in the socialist state" (*Trudy Pervoi Vsesoyuznoi Konferentsii Agrarnikov-Marksistov*, i (1930), 246).

⁵ *Na Agrarnom Fronte*, No. 10, 1926, pp. 89-90.

be demanded, with the approval of Narkomzem and of the provincial land authorities, even by a minority of members of the *mir*.¹

The strongest opposition to the *mir* in the early and middle nineteen-twenties came from those who favoured more individualist forms of tenure and cultivation, and was based on grounds of efficiency. Attempts were made to show that the *mir* was now the main upholder of the obsolete three-field rotation;² and it was an undisputed fact that *khutor* holdings were substantially larger than the holdings of the peasants who remained in the *mir*.³ A local conference of kolkhozy put on record at this time the significant opinion that the main motive for organizing kolkhozy was "the striving to be rid of the *obshchina* form of the cultivation of land and to make the transition to another form which offers a possibility of raising the productivity of labour in agriculture".⁴ But at this time the kolkhozy were still in little favour;⁵ and the notion that they would one day replace the *mir* would have seemed far-fetched and utopian. On the other hand, it seems clear that periodical redistribution of land by the *mir* was gradually becoming rarer. In Siberia redistribution every nine years was still common, but in the Central Black-Earth region and the industrial regions total redistribution had for the most part been replaced by periodical minor adjustments (*skidki i nakidki*).⁶

The year 1927, which was marked by a sharp reaction against the policy of support for the well-to-do peasant and by increased interest in collective cultivation, also witnessed a certain strengthening of hostility to the *mir*. The resolution of the Communist Academy of January 1927 criticized both the USSR and the RSFSR drafts for failing to include provisions favourable to collectivization; and articles in authoritative journals, echoing this criticism, ridiculed the feeble clause in the USSR draft on the

¹ *Sobranie Uzakoneniï*, 1926, No. 8, art. 58.

² In Leningrad province in 1926 the three-field rotation was retained by 97 per cent of *mir*s, by 25 per cent of *khutors* and by 21 per cent of *otrubs* (*Na Agrarnom Fronte*, No. 9, 1926, p. 99). Bauman complained at the fifteenth party congress in December 1927 of the "inertia" of the *mir* as an obstacle to the introduction of the multi-field system and of other improved forms of cultivation (*Pyatnadtsatyi S"ezd VKP(B)*, ii (1962), 1316).

³ For examples see *Na Agrarnom Fronte*, No. 11-12, 1929, p. 107.

⁴ V. Yakovtsevsky, *Agrarnye Otnosheniya v SSSR* (1964), p. 304.

⁵ See p. 158 below.

⁶ *Na Agrarnom Fronte*, No. 11-12, 1926, p. 27.

transition of land communities to collective cultivation.¹ The fourth Union Congress of Soviets in April 1927 registered disapproval of "frequent repartitions".² The opposition platform of September 1927 depicted the land communities as "standing outside all Soviet leadership and control, and falling more and more under the influence of the *kulak*", and by their control of land utilization "undermining the foundations of the nationalization of the land".³ Molotov at the fifteenth party congress in December 1927 referred to the *kulak*, who "took refuge in the land communities and tried to entrench himself there", and accused Shlikhter of nursing the illusion that whole land communities might "imperceptibly" make the transition to collectivism.⁴ But firm positions had not yet been taken up. So orthodox a party official as S. V. Kosior, in his report to the congress on organization, attributed to the land community "an extremely essential role . . . to which we have not hitherto paid sufficient attention";⁵ and an article of January 1928 in the party journal, using quotations from Marx and Engels, claimed that the *mir*, "transformed into the land community", was "the lowest organization on the basis of which state regulation of the whole of agriculture is carried on".⁶ When the TsIK of the USSR debated the draft general principles at its session of April 1928, Milyutin, the official spokesman, defensively explained that no form of tenure should be mechanically abolished, and that those which were economically unviable would die away of their own accord. He condemned, however, the system of frequent redistributions of land hitherto associated with the *mir*, and wished such redistributions to be strictly limited by republican legislation, and to be undertaken only for specific reasons, i.e. the improvement of holdings or the struggle against the *kulaks*.⁷

Threatened with extinction, the *mir* exhibited great tenacity of life and proved itself indispensable in many ways. The

¹ *Na Agrarnom Fronte*, No. 1, 1927, p. 103; *Bol'shevik*, No. 1, January 1, 1927, pp. 48-50.

² *S"ezdy Sovetov v Dokumentakh*, iii (1960), 130.

³ L. Trotsky, *The Real Situation in Russia* (n.d. [1928]), pp. 69-70.

⁴ *Pyatnadsatyi S"ezd VKP(B)*, ii (1962), 1217, 1386-1387; for Shlikhter's remarks see *ibid.* ii, 1304-1305.

⁵ *Ibid.* i (1961), 100.

⁶ *Bol'shevik*, No. 2, January 31, 1928, pp. 77-82.

⁷ *3 Sessiya Tsentral'nogo Ispolnitel'nogo Komiteta Soyuza SSR 4 Sozyva* (1928), pp. 724-727.

Shevchenko Sovkhoz began by concluding contracts for tractor-ploughing with individual *dvors*. But this turned out to be impracticable when some *dvors* made contracts and others within the same *mir* stood out; and later contracts were concluded with the *mir* as a whole.¹ The peasant newspaper, in an article commenting on the draft general principles, complained that the *mir*, which under the agrarian code was simply "a collection of households", had now become a "cooperative" organization possessing property, exercising administrative powers, and having a budget of its own — "a state within a state".² When the debate on the general principles was resumed at the next session of TsIK in December 1928, Milyutin repeated that redistribution of land should take place as infrequently as possible — and then only for special reasons. But he equivocally defended the "land community" as "a step on the road to more collective forms".³ The final text of the general principles, as adopted at this session, failed to make any clear pronouncement on the functions of the *mir*. But article 14 pronounced redistribution of land to be permissible "in communities with the communal system of utilization of land"; and "partial redistribution" could be sanctioned, apparently without any restriction, by the legislation of the Union republics. Of the forces ranged for and against redistribution neither could claim a victory from the general principles. On the other hand an amendment was introduced permitting the *mir* to impose on its members by a simple majority the transition to a multi-field rotation or other technical agricultural improvements⁴ — a last-minute attempt to enlist the *mir* on the side of technical progress.⁵

¹ V. Danilov, *Sozdanie Material'no-Tekhnicheskikh Predposylok Kollektivizatsii* (1957), pp. 348-349.

² *Bednota*, June 15, 1928.

³ *4 Sessiya Tsentral'nogo Iсполnitel'nogo Komiteta Soyuza SSR 4 Sozyva* (1928), No. 12, pp. 13, 22.

⁴ The original draft of art. 33 of the principles followed art. 54 of the agrarian code of the RSFSR of 1922 in requiring a two-thirds majority to enforce such changes; the proposal to substitute a simple majority was supported by Milyutin at the session and adopted (*4 Sessiya Tsentral'nogo Iсполnitel'nogo Komiteta Soyuza SSR 4 Sozyva* (1928), No. 12, p. 19; No. 33, p. 6; according to *Bednota*, November 2, 1928, the proposal emanated from the Sovnarkom of the RSFSR).

⁵ The land communities were liquidated by a decree of February 3, 1930 (*Sobranie Zakonov*, 1930, No. 16, art. 172); by this time collectivization had created more powerful instruments of control and organization.

While the general principles adopted in December 1928 had little or no importance as a legal enactment, they clearly reflected in their final form the trends of agrarian policy at that time, and were designed to further that policy. The agrarian code of 1922, begotten in the honeymoon period of NEP, had known nothing of *kulaks* or poor peasants; and a mood of appeasement lasted into the middle nineteen-twenties. The general principles, enacted in a period of growing resistance to policies which favoured the well-to-do peasant, and promulgated a year after the announcement of an "offensive against the *kulak*", revealed a constant preoccupation with the class struggle in the countryside. What was now at stake was to isolate the indisputably capitalist *kulak* from the rest of a peasantry whose status was increasingly difficult to define. According to the Gosplan control figures for 1927-1928, the middle and poor peasants, "in whom is concentrated the basic mass of the population of the country", were neither socialist nor capitalist; ¹ the control figures for the following year added more cryptically that "the fundamental roots of capitalism are hidden in the peasant economy, which is in its mass non-capitalist".² The general principles were plainly concerned to rally this non-capitalist mass against the *kulak*; and a chapter (arts. 29-34) was devoted to "measures to encourage collective and other forms of utilization of the land in common". The "struggle against the *kulak*" recurred as a constant theme throughout the text.³

What the general principles failed, however, to supply was any definition of different categories of peasant. The control figures of Gosplan for 1927-1928 improved on the usual classification by discovering five social groups in the countryside: proletarian (i.e. *batraks*), semi-proletarian (i.e. poor peasants partly dependent on earnings from employment), middle peasant, *entrepreneur* and petty capitalist.⁴ But Molotov, who at the fifteenth party congress in December 1927 complained that the latest handbook of the

¹ *Kontrol'nye Tsifry Narodnogo Khozyaistva SSSR na 1927-1928 god* (1928), p. 341.

² *Kontrol'nye Tsifry Narodnogo Khozyaistva SSSR na 1928-1929 god* (1929), p. 90.

³ See in particular arts. 4, 8-9.

⁴ *Kontrol'nye Tsifry Narodnogo Khozyaistva SSSR na 1927-1928 god* (1928), p. 350; this refinement was probably suggested by the five-fold classification of the peasantry (proletarian, semi-proletarian, small, middle and large) in Lenin's agrarian theses for the second congress of Comintern in 1920 (Lenin, *Sochineniya*, xxv, 269-273).

Central Statistical Administration lumped all peasants together and ignored "the class, i.e. scientific, grouping",¹ also disapproved of Gosplan's fivefold classification as tending to obscure the cardinal rôle of the middle peasant.² Not only could no agreement be reached on the nomenclature of the different groups and on the vital question which groups were increasing or diminishing, but the criteria of classification themselves were the subject of a long-standing dispute.³ The complicated criteria of classification proposed by the Central Statistical Administration⁴ were of little practical use. Apart from the obvious, but unsatisfactory, criterion of the amount of land held,⁵ the amount of labour employed,⁶ the amount of leased inventory,⁷ and income derived from agriculture,⁸ were criteria of classification proposed from time to time, and found wanting. Kondratiev, while agreeing on the need "to give legislative precision to the concept of the *kulak*", wished to exclude the leasing of land and the hiring of labour from the determining criteria.⁹ A more promising criterion, if it had been practicable, for distinguishing between different strata of the peasantry, would have been the amount of grain reserves held by them.¹⁰ But, had it been possible to agree on a definition of the groups, mobility between them would have defied any attempt to

¹ *Pyatnadsatyi S"ezd VKP(B)*, ii (1962), 1177; the handbook was *Itogi Desyatiletia Sovetskoi Vlasti v Tsifrah*, 1917-1927 (n.d. [1927]), which classified peasants by their holdings of land and by their relations to the leasing of land and the hiring of labour, but did not use the terms *kulak*, poor peasant, etc.

² *Pyatnadsatyi S"ezd VKP(B)*, ii (1962), 1382.

³ For the multifarious guises in which the *kulak* might appear see *Socialism in One Country, 1924-1926*, Vol. 1, pp. 235-238; a commentator noted that it was possible for the same person at the same time to be "a land-owner, a shop-keeper, a capitalist, a lessee, an industrial *entrepreneur* and even an agricultural 'piece-worker'" (*Na Agrarnom Fronte*, No. 4, 1927, p. 60); an article in the party journal entitled "On the 'Social Mimicry' of the *Kulak*" described the various guises in which the *kulak* masked his real status (*Bol'shevik*, No. 12, June 30, 1929, pp. 41-57).

⁴ See *Socialism in One Country, 1924-1926*, Vol. 1, p. 236, note 5.

⁵ For the defects of this criterion see *ibid.* Vol. 1, pp. 235-236.

⁶ According to a report of Rabkrin of August-September 1926, peasants employing two or even three *batraks* were still classified as middle peasants; in fact, one-half of all peasants employing hired labour ought to be regarded as *kulaks* (*Na Agrarnom Fronte*, No. 11, 1928, pp. 153-154).

⁷ *Pravda*, February 10, 1928.

⁸ *Planovoe Khozyaistvo*, No. 3, 1928, p. 37.

⁹ *Bol'shevik*, No. 13, July 15, 1927, p. 37.

¹⁰ For these reserves see p. 24 above.

compute their numbers accurately. As an agricultural expert of Gosplan observed, "there is no insuperable barrier between the middle peasant on the way up — and the *kulak*".¹

The campaign against the *kulak* and the constant mention of the *kulak* in legislative enactments made some formal attempt to identify him indispensable. The decree of February 20, 1929, on the agricultural tax contained a first attempt by Narkomfin to define persons liable to individual assessment of tax;² and a decree of May 1929 at length offered a legal definition on identical lines of a *kulak* household. This was a household which systematically employed hired labour; or owned a mill or other manufacturing establishment; or systematically lent out complex machines; or systematically leased buildings for residential or industrial purposes; or whose members engaged in trade, usury or non-agricultural occupations.³ But, in effect, *kulak* was now a term which defied economic identification; and the purpose of its repeated use was political. Enukidze, who spoke at the fifteenth party congress in December 1927 of "the practical difficulties of defining a *kulak*", came to the conclusion that a *kulak* was one who "impedes the basic task of transition to large-scale socialized agriculture".⁴ At the other end of the scale, similar uncertainties beset the definition of the "poor peasant". According to one authority, a peasant without a horse was a poor peasant;⁵ according to another, a peasant whose income did not exceed 80 rubles a year.⁶ Here too emotional overtones attached themselves to the term. Since the days of Lenin, the alliance with the poor peasant had been an unquestioned tenet of party doctrine: "so long as there are poor peasants", said Stalin at the fourteenth party congress of December 1925, "we must have an alliance with the poor

¹ *Planovoe Khozyaistvo*, No. 2, 1929, p. 133.

² *Sobranie Zakonov*, 1929, No. 12, art. 103; for individual assessment see pp. 756-757 below.

³ *Sobranie Zakonov*, 1929, No. 34, art. 301.

⁴ *Pyatnadtsati S"ezd VKP(B)*, ii (1962), 1244.

⁵ *Na Agrarnom Fronte*, No. 2-3, 1929, p. 58.

⁶ *Planovoe Khozyaistvo*, No. 8, 1929, p. 54. A poor peasant was defined by a Sovnarkom resolution, apparently for purposes of exemption from agricultural tax, as one having less than one hectare of sown land and not more than one working animal; but all peasant households having up to 4 hectares without working animals and 50 per cent of households holding from 4 to 6 hectares without working animals were also so classified (*Trudy Pervoi Vsesoyuznoi Konferentsii Agrarnikov-Marksistov*, i (1930), 286).

peasant".¹ Nobody attempted to define the "middle peasant", who constituted the residue after the subtraction of the *kulak* on one side and the poor peasant on the other. But a tendency arose to distinguish from the mass of middle peasants a group of "well-to-do peasants" or "strong middle peasants", who dwelt on the doubtful frontier between the middle peasant and the *kulak*.² A middle peasant was said to have complained that, while the *kulaks* organized themselves, and the poor peasants were organized by the party, the middle peasants were forgotten: "one has the impression that we are not regarded as human beings".³

The proportion of *kulaks* in the peasant population varied considerably in different parts of the Soviet Union. In the European provinces of the RSFSR most *kulak* holdings had been liquidated in the first months of the revolution; and few had arisen since. More survived in the Ukraine and White Russia, where the establishment of Soviet power had been delayed by the long episode of the civil war, and most of all in outlying regions such as the Crimea, Kazakhstan, Siberia, Transcaucasia and Central Asia, where effective Soviet power was a still later growth.⁴ In the North Caucasian region *kulaks* were alleged to hold as much as 20 desyatins per member of the household.⁵ In the North Caucasian region and in the steppe area of the Ukraine, the 10 per cent of the peasantry forming the top stratum owned from 35-45 per cent of the implements of production and 30 per cent of the working animals; the 30 per cent who formed the lowest stratum owned 5-7 per cent of the implements and no working animals.⁶ In Siberia, where Lenin had noted the relative indulgence enjoyed by the *kulak*,⁷ and where committees of poor peasants never functioned, holdings were generally larger than in European Russia and machines played a more important rôle: these conditions favoured the rise of a well-to-do stratum of peasants and the spread of differentiation.⁸

¹ Stalin, *Sochineniya*, vii, 331.

² For the attempt to divide middle peasants into "strong" and "weak" categories see pp. 19-21 above.

³ A. Angarov, *Klassovaya Bor'ba v Sovetskoj Derevne* (1929), p. 45.

⁴ *Na Agrarnom Fronte*, No. 3, 1928, p. 18.

⁵ *Ibid.* No. 6, 1927, p. 152.

⁶ *Planovoe Khozyaistvo*, No. 2, 1929, p. 100.

⁷ Lenin, *Sochineniya*, xxvi, 239.

⁸ Statistics in *Bol'shevik*, No. 13, July 15, 1927, p. 82, showed that in western Siberia the proportion of peasant households holding no land or less than 3

Estimates of the total number of *kulaks* continued to vary with the political opinions and purposes of those who made them. A Central Statistical Administration handbook, estimating the rural population engaged in agriculture at 108 millions in 1926-1927, identified more than 21 millions as poor peasants, more than 81 millions as middle peasants, and nearly 6 millions as *entrepreneurs* (the term *kulak* was still avoided); this would imply the existence of about a million *kulak* households in 1928.¹ The lowest estimate current in this period seems to have been 800,000 of whom 650,000 had survived from before the revolution and 150,000 had acquired *kulak* status since 1921.² Official sources admitted that the number of *kulaks* was increasing, but denied the sinister conclusions drawn by the opposition. Bukharin summed up the situation in his speech at the Moscow provincial party congress in November 1927:

We have a numerical increase of *batraks* and an undoubted increase of the *kulak*, an increase in his economic significance, since the *kulaks* represent economically the strongest group. The middle peasant remains the basic mass. The *kulak* increases. The number of *batraks* is increasing. The poor peasants are decreasing.³

desyatins had decreased from 55.3 per cent in 1925 to 42.4 per cent in 1926, but that the proportion of those holding more than 4 desyatins had increased substantially. An article in a later number of the party journal claimed that the number both of *kulaks* and of poor peasants in the region was increasing, and that an "offensive of capital" was in progress, based on the possession of machines (*ibid.* No. 15-16, August 31, 1927, pp. 90-99); this was immediately followed by an article (*ibid.* pp. 100-116) which maintained that the prosperity of all sections of the peasantry was increasing. For an example of a Siberian district see *Socialism in One Country, 1924-1926*, Vol. 1, p. 220, note 3; for more detailed, but inconclusive, statistics of the Siberian region see *Istoriya Sovetskogo Krest'yanstva i Kolkhoznogo Stroitel'stva v SSSR* (1963), p. 125.

¹ *Statisticheskii Spravochnik SSSR za 1928 g.* (1929), p. 42; Lenin in a popular article written in 1918, but first published in 1925, made a rough count of 15 million peasant households, including 10 million poor peasants, 3 million middle peasants and 2 million "*kulaks*, rich peasants, speculators in grain" (Lenin, *Sochineniya*, xxiii, 207).

² *Bol'shevik*, No. 22, November 30, 1927, pp. 54-55; the same estimate is repeated in *Na Agrarnom Fronte*, No. 3, 1928, p. 18. Larin, who was responsible for this estimate, considered that not more than 2 per cent of all peasant households could be described as "capitalist"; but these produced 9 per cent of all agricultural output and 14 per cent of marketed output (Yu. Larin, *Chastnyi Kapital v SSSR* (1927), p. 75).

³ For this speech see p. 37 above.

A few days later at a party conference of the North Caucasian region Kalinin emphatically asserted that "*the basic stratum of the peasantry [i.e. the middle peasant] is growing more rapidly than the kulak stratum, the specific weight of which diminishes year by year.*"¹ At the fifteenth party congress in the following month Stalin reiterated the official view that both *kulaks* and middle peasants were increasing in number, and poor peasants becoming fewer.²

The two principal vexed questions of 1925 — the leasing of land and the hiring of labour — which had been tacitly settled at that time in the permissive sense favourable to the well-to-do peasant, attracted less attention in the ensuing period. Both were instruments of "differentiation";³ both were targets of opposition criticism; and party consciences were tender about both. But nobody seriously believed that they could be dispensed with under any régime short of total collectivization.

After 1926 regular statistics of the leasing of land do not appear to have been published. But a Rabkrin report of the summer of 1927 estimated that a total of 15 million desyatins of land was leased, compared with 25 millions before the war, and described leasing "in all regions of Russia" as "a general practice".⁴ An account of August 1926 from the Ural region distinguished between the attitude of different categories of peasant to the renting of land. The well-to-do peasant rented as a regular habit, squeezed everything he could out of the land for a few years and left it ruined. The middle peasant merely sought to add a few desyatins to his land in order to ensure a good crop. The poor peasant rented only from sheer necessity, and paid an exorbitant price. The village Soviet registered leases, but did not concern itself with the terms of the contract.⁵ In 1927 from one-third to one-half of the peasantry were said to be concerned, either as lessors or as lessees, in the leasing of land.⁶ The lessor was now commonly the poor peasant, who lacked the resources to cultivate his land. In the fertile central regions well-to-do peasants farming

¹ *Pravda*, November 30, 1927.

² Stalin, *Sochineniya*, x, 316.

³ For the issue of "differentiation" see pp. 18-26 above.

⁴ For the statistics for 1926 see *Socialism in One Country, 1924-1926*, Vol. 1, p. 226, note 6; the fullest available statistics for 1927 are in *Statisticheskoe Obozrenie*, No. 4, 1929, pp. 3-18.

⁵ *Bednota*, August 14, 1926.

⁶ *Na Agrarnom Fronte*, No. 6-7, 1928, p. 184; this was much lower than the proportion — 80 per cent — involved in the hiring of labour or inventory.

more than 16 desyatins rented half the land farmed by them, the average being 11.8 desyatins. In really large holdings of more than 25 desyatins, to be found almost exclusively in Siberia and in the North Caucasian and Volga regions, an average of 19.3 desyatins was rented.¹ At the session of the TsIK of the USSR in October 1927 Milyutin admitted the prevalence of leasing, and calculated that of those who rented land 16 per cent were *kulaks* and that they took 30 per cent of all land leased.² Payment in cash for leased land was the exception rather than the rule. Share-cropping arrangements covered one-third of leases in the RSFSR, and were the prevailing form of payment in the Ukrainian and Transcaucasian republics. Payment in kind or in labour was also fairly common, especially in the RSFSR.³

It is clear that, down to the end of 1927, no serious attempt was made to restrict the practice. Complaints were voiced from time to time in the press. The opposition platform of September 1927 asserted that the leasing of land "assumes larger and larger proportions every year", though the majority of the transactions were concealed in order to evade taxation.⁴ The fifteenth party congress in December 1927, though it did not discuss leasing, included in its resolution "On Work in the Countryside" a list of desiderata on the subject:

A gradual reduction of the area let out on lease in those regions where the leasing of land leads to the growth of *kulak* elements. Limitation of the duration of the lease to the duration of not more than one rotation, and not above 6 years. In regard to those who, in spite of the help given to them by the state and the cooperatives, do not work the land allocated to them themselves or with the labour of their family, leasing out their land from year to year, limitation of the right to lease land, by decision of the rural district (or regional) executive committee, to a duration of from 3 to 6 years, on the expiration of which they should be deprived of all rights over the land, and the land should be placed at the disposal of the land community.⁵

¹ *Itogi Desyatileitiya Sovetskoi Vlasti v Tsifrah* (n.d. [1927]), pp. 144-145.

² *2 Sessiya Tsentral'nogo Iсполnitel'nogo Komiteta Soyuza SSR 4 Sozyva* (n.d. [1927]), p. 759.

³ See the table quoted from the archives in V. Yakovtsevsky, *Agrarnye Otnosheniya v SSSR* (1964), p. 243.

⁴ L. Trotsky, *The Real Situation in Russia* (n.d. [1928]), p. 65.

⁵ *KPSS v Rezolyutsiyakh* (1954), ii, 485.

No immediate action was taken on this recommendation. But in the summer of 1928 peasant opinion was again reported to be hostile to leasing, which "strengthens the *kulak* top stratum in the countryside";¹ and on July 18, 1928, a decree issued from the TsIK and the Sovnarkom of the USSR proposing to the constituent republics to limit the duration of leases to one rotation, or not more than six years. If, at the end of that time, the lessor was unwilling or unable to resume possession of the land and cultivate it with his own labour, he forfeited his right to it — the first attempt to enforce the temporary character which had nominally attached to leasing since its first authorization in 1922.² This limitation was repeated in the general principles adopted six months later, which also included two specifically discriminatory clauses against the *kulak*. Land leased by *kulak* households was liable to confiscation; the village Soviets were instructed to refuse to register contracts relating to land leased by *kulak* households or containing conditions oppressive to poorer peasants.³ These pressures appear to have brought about a certain diminution of leasing in 1928,⁴ though it is uncertain whether this amounted to anything but recourse to more refined methods of concealment. A device often employed was that of "partnership" (*supryaga*) under which two peasants agreed to pool their labour or their animals or their machines, or all three of them, for certain specific purposes — usually either for ploughing the land or for gathering the harvest. The general verdict on this procedure was that, while "partnership" between households of equal status and capacity might develop into "the germ of collective cultivation", "partnership" between a well-to-do and a poor peasant was merely "a form of leasing of working animals and inventory", and as likely as any other form of leasing to lead to exploitation.⁵

¹ Trotsky archives, T 2341.

² *Sobranie Zakonov*, 1928, No. 44, art. 394.

³ See arts. 37 and 40 of the principles (see p. 108 above); Milyutin admitted in his report that many people wanted to abolish leasing altogether, but considered this impracticable (*4 Sessiya Tsentral'nogo Ispolnitel'nogo Komiteta Soyuza SSR 4 Sozyva* (1928), No. 12, p. 20).

⁴ *Kontrol'nye Tsifry Narodnogo Khozyaistva SSSR na 1928-1929 god* (1929), p. 95, reported reductions ranging from 10 to 30 per cent in "a number of regions"; but the figures were admittedly based on a very limited enquiry.

⁵ For a description and statistics of *supryaga* see *Ekonomicheskoe Obozrenie*, No. 12, 1929, pp. 166-168; the verdict on it is endorsed in L. Kritsman, *Rassloenie Sovetskoi Derevni* (1926), pp. 162-163. Markevich, the director of

In the crisis of the grain collections of 1927-1928 some official encouragement appears to have been given to such equivocal "partnerships" of well-to-do and poor peasants, presumably in the interests of increased production.¹

The use of hired labour in the countryside, though described in the resolution of the party central committee of April 1926 as an "experiment",² was rooted in a state of affairs for which no remedy was available — the presence in the countryside of a "surplus" population of peasants possessing no land of their own or insufficient land for subsistence. Hired labour remained an indispensable condition of an expansion of agricultural production, and, though often discussed, was not seriously challenged throughout this period. Decrees of the RSFSR of February and June 1926, amending article 39 of the agrarian code of 1922, and a decree of the USSR regulating the conditions of "auxiliary" labour, abandoned the fiction that the hiring of labour was open only to those overtaken by temporary emergencies, and specifically authorized the hiring of labour either seasonally or for the whole year on allotted or on leased land.³ Well-to-do middle peasants, by whom a large majority of the *batraks* were employed, were protected by the principle that "households in which hired labour has an occasional and auxiliary character are not capitalist".⁴ Thus encouraged, the practice grew and flourished.⁵ In Siberia, in Transcaucasia, and in the Ural region — all regions where large holdings were relatively numerous — more than 30 per cent

the Shevchenko Sovkhoz (see p. 186 below), in a report to the presidium of Gosplan, called the slogan "Through the *supryaga* to socialism" a "harmful SR utopia" (quoted from a Narkomzem publication in Trotsky archives, T 2240). For a description of the institution in Siberia, where the word is said to have originated, see G. Cleinow, *Neu-Sibirien* (1928), pp. 274-275. For what is described as "a special form of *supryaga*", the Georgian "*alo*", see an article in *Na Agrarnom Fronte*, No. 6, 1929, pp. 96-108.

¹ *Na Agrarnom Fronte*, No. 6-7, 1928, p. 36; the *supryaga* was to be made responsible for sowing a given area.

² See *Socialism in One Country, 1924-1926*, Vol. 1, p. 327.

³ *Sobranie Uzakonenii*, 1926, No. 11, art. 89; No. 43, art. 328; *Sobranie Zakonov*, 1926, No. 52, art. 389.

⁴ *Kontrol'nye Tsifry Narodnogo Khozyaistva SSSR na 1927-1928 god* (1928), pp. 340-341.

⁵ Makarov cautiously observed that the increase in the hiring of labour in 1926 was explained "not so much by the actual process of development of capitalist relations as by the changed attitude of the state, and through it of society, to questions of hired labour" (*Puti Sel'skogo Khozyaistva*, No. 4, 1927, p. 112).

of all peasant households employed hired labour ; in the Leningrad and Western regions the proportion was less than 15 per cent.¹ Employment of hired workers by kolkhozy was widely prevalent. Of the kolkhozy in 1928, 79 per cent of communes, 35 per cent of *artels*, and 42 per cent of TOZy employed hired labour. While workers hired by *artels* and TOZy were for the most part specialists (e.g. tractor-drivers) or shepherds, or were hired only in harvest time, communes regularly used hired workers, who sometimes constituted 50 per cent of their personnel. In the majority of cases, the "temporary rules" were not observed.²

Statistics of agricultural wage-labour were notoriously defective and unreliable.³ The *batrak* was a peasant or former peasant who lived mainly by selling his labour-power to his more prosperous (or less indigent) neighbour, and was classified as "proletarian". In practice, it was difficult to draw a clear line between the *batrak*, who often retained and worked a small plot of land, and the poor peasant who, having insufficient land or means of cultivating it, supplemented his income by selling his labour-power, and was commonly classified as "semi-proletarian".⁴ The *batrak*, however, seems to have incurred the contempt of the traditional peasant community for anyone not possessing

¹ *Na Agrarnom Fronte*, No. 11, 1928, p. 77. These percentages may well be under-estimates ; much labour was employed by the day or for brief periods, and it is not clear how much of this casual labour was included in the statistics. In Leningrad region only 1.8 per cent of households, in Kursk region only 2.1 per cent, employed permanent labour, though 18 per cent in the former region and 30.6 per cent in the latter employed hired labour of some kind (V. Yakovtsevsky, *Agrarnye Otnosheniya v SSSR* (1964), p. 255). In the Soviet Union as a whole, only 6.2 per cent of households employed hired labour for more than 25 days in the year (*Na Agrarnom Fronte*, No. 11, 1928, p. 79).

² *Istoricheskii Arkhiv*, No. 1, 1960, p. 52 ; for the "temporary rules" see *Socialism in One Country, 1924-1926*, Vol. 1, pp. 256-257. According to statistics in *Kolkhozy SSSR : Statisticheskii Spravochnik* (1929), p. 39, Table 16, 4.8 per cent of members of kolkhozy were *batraks*, the proportion being higher than the average in communes (6.8 per cents and lower in TOZy (2.8 per cent). Kolkhozy formed before January 1, 1928, were far more prone to use hired labour (47.9 per cent of communes, 37.7 per cent of *artels*, 11.7 per cent of TOZy) than those formed after that date (13.3 per cent of communes, 10.1 per cent of *artels*, 7.2 per cent of TOZy) ; most hired labour in the kolkhozy was seasonal (*Kolkhozy SSSR : Statisticheskii Spravochnik (Dopolnenie Pervoe)* (1929), p. 43, Table 20).

³ See *Socialism in One Country, 1924-1926*, Vol. 1, pp. 230-231.

⁴ Schmidt at the seventh trade union congress in December 1926 argued against the view that only a worker who had "neither fence nor holding of his

or working land of his own; the landless *batrak* was despised as an "outsider" and a "stranger", and any attempt to allocate land to him within the *mir* would be resisted.¹ Censuses taken through the local Soviets in August 1926 and August 1927 were a first — and perhaps not very accurate — attempt to establish the numbers and composition of the hired labour force in the countryside. The total, excluding artisans and workers in Sovkhozy, rose during this year from 2,275,000 to 2,283,000. Nearly 70 per cent of the total were males. But only 54 per cent were adults over 17, 20 per cent being juveniles of 16–17, and 26 per cent children under 16, boys and girls being about equally represented. Children were widely employed to guard flocks and herds at pasture.² According to later and more comprehensive statistics, which distinguished between "proletarian" and "semi-proletarian" workers in the countryside, and between employment in the socialized and in the private sector, the later nineteen-twenties saw a reduction in the number of hired workers employed by individual households and an increase in those employed in the socialized sector.³ A slight decline in the employment of

own" was a *batrak*; the peasant who had "some wretched hovel with a leaky roof" was misleadingly called a poor peasant because he had "a tiny plot, a fragment of land", though in fact he hired out his labour like a *batrak* (*Sed'moi S"ezd Professional'nykh Soyuzov SSSR* (1927), p. 444); only 35 per cent of *batraks* in 1926, and 29.5 per cent in 1927, had no land of their own (*Na Agrarnom Fronte*, No. 11, 1928, p. 46). For an example of classification of *batraks* as poor peasants in an official document see *Materialy po Istorii SSSR*, vii (1959), 239.

¹ *4 Sessiya Tsentral'nogo Iсполnitel'nogo Komiteta Soyuza SSR 4 Sozyva* (1928), No. 15, pp. 36, 38.

² *Na Agrarnom Fronte*, No. 11, 1928, pp. 42–44. Both censuses were taken in August when seasonal employment was at its highest (*ibid.* No. 2, 1929, p. 133); but any exaggeration resulting from this may have been balanced by the number of *batraks* who escaped registration altogether. According to an enquiry made by a Vserabotzemles worker in a department of the Ukraine, *kulaks* registered only 18 per cent of *batraks* employed by them, middle peasants 45 per cent (Yu. Larin, *Chastnyi Kapital v SSSR* (1927), p. 85). For a critique of these censuses see *Na Agrarnom Fronte*, No. 11, 1928, pp. 3–4. The proportion of "proletarianized" peasant households (defined as households whose "chief source of subsistence is working for wages") varied from 14.9 per cent in the Volga German republic and 13.8 per cent in the North Caucasian region, through 12 per cent in the province of Leningrad, to percentages ranging from 4.7 to 2 in the Black-Earth region (*ibid.* No. 3, 1929, pp. 37–38).

³ See Table No. 23, p. 957 below; *Kontrol'nye Tsifry Narodnogo Khozyaystva SSSR na 1927–1928 god* (1928), p. 347, showed the number of hired workers "in the private sector" as having steadily increased from 1924–1925 to 1926–1927.

hired labour in 1928 and 1929 may have resulted from the campaign against the *kulak*; at the sixteenth party conference in April 1929 the number of unemployed *batraks* was stated to have increased by 100,000, owing partly to harvest failure in some regions, but mainly to restrictions placed on the *kulaks*.¹ But other changes also occurred. Day-workers in agriculture always outnumbered regular (i.e. long-term or seasonal) workers; and after 1927 the number of regular workers declined and that of day-workers increased.² A report from the Ural region indicated that female labour was being substituted for male labour, which had presumably moved into mines and factories.³

Wages and conditions of labour of the *batrak* varied from region to region, but were always at the lowest level. A complaint that, owing to the rule of the eight-hour day, *batraks* working on Sovkhozy had to be paid overtime in summer, and were paid in the winter for an eight-hour day which could not be worked,⁴ can only have referred to a few exceptional Sovkhozy. The average monthly wages of *batraks* covered by collective contracts with Vserabotzemles were officially stated to be as follows (in rubles):

	Adults		Juveniles	
	M	F	M	F
1926	19·70	17·00	12·80	12·80
1927	21·70	18·00	13·90	13·60

Wages of *batraks* not covered by collective contracts were admitted to be 15 per cent lower.⁵ But it may be doubted how accurately

¹ *Shestnadsataya Konferentsiya VKP(B)* (1962), p. 428.

² Divergent figures in *Sdvigi v Sel'skom Khozyaistve SSSR* (2nd ed. 1931), p. 134, and *Trudy Pervoi Vsesoyuznoi Konferentsii Agrarnikov-Marksistov*, i (1930) 298, agree in this respect; of hired workers in Sovkhozy in 1927, 41 per cent in 1926 were regular workers, 17·8 per cent were hired for the season and 28·8 per cent by the day, and 12·4 per cent were piece-workers (*Na Agrarnom Fronte*, No. 5, 1927, p. 68).

³ *Ibid.* No. 9, 1929, p. 89.

⁴ *Kontrol'nye Tsifry Narodnogo Khozyaistva SSSR na 1927-1928 god* (1928), p. 369.

⁵ *Na Agrarnom Fronte*, No. 7, 1929, pp. 121-124, based on information from Vserabotzemles and Narkomtrud. The average wages of workers on Sovkhozy (other than those of the Sugar Trust) in 1926 were 24·68 rubles a month; the Sugar Trust Sovkhozy paid full-time workers 21·40, and seasonal workers

this official picture reproduced real conditions in the countryside. Such conceptions as wage-labour penetrated slowly in a society still dominated by the traditions of the peasant family and of a natural economy. In *kulak* households only 54 per cent of the wages of *batraks* were paid in cash, in households of working peasants only 45 per cent. The case of four women and a man working in a peasant household as "refugees" for 8 years without wages was probably not exceptional.¹ In Vyatka province, where all *batraks* were supposed to be covered by collective agreements, the employer "intimidated" the worker who wanted to join the union, and the worker was paid no more than 10-20 rubles for a summer's work.² In the south, where a semi-tropical climate favoured the cultivation of special crops, conditions of labour were more specifically proletarian. On tobacco plantations in the North Caucasian region, women workers earned an average of 12 rubles a month, were herded together in hovels, and, being treated as seasonal workers, did not benefit from social insurance.³ Strikes among *batraks* employed on wine-growing and fruit-growing farms in southern Russia and in Transcaucasia were reported in 1929.⁴

The *batrak* remained throughout this period the step-child of the Soviet economy. *Pravda* complained that the temporary rules of April 1925, which had been intended to serve as the charter of the *batraks*, were forgotten and ignored in the countryside;⁵ decrees of June 1926 and January 1927 for the protection of seasonal and temporary workers,⁶ though technically applicable to *batraks*, seem to have been designed for workers in towns, especially in building; and an instruction of Narkomtrud of February 1928 requiring strict application of the labour code to rural workers "remained on paper".⁷ The opposition platform

23.60 rubles a month (*Bol'shevik*, No. 2, January 31, 1929, p. 80). The lowest paid workers in state industry at this time received 50 rubles a month (see Table No. 25, p. 958 below).

¹ *Na Agrarnom Fronte*, No. 7, 1929, pp. 121-124; for a different calculation of the proportion of wages paid in cash and kind see *ibid.* No. 10, 1929, p. 165.

² *Sed'moi S'ezd Professional'nykh Soyuzov SSSR* (1927), p. 216.

³ *Ibid.* pp. 192-193.

⁴ See p. 568 below.

⁵ *Pravda*, December 1, 1926.

⁶ *Sobranie Zakonov*, 1926, No. 40, art. 290; *Sobranie Zakonov*, 1927, No. 9, art. 80.

⁷ *Vos'moi S'ezd Professional'nykh Soyuzov SSSR* (1929), p. 331.

of September 1927 alleged that the real wages of *batraks* were not above 63 per cent of the pre-war level, and that they were subject to every form of exploitation; what was needed was "an all-sided systematic defence of the hired labourer, not only against the *kulak*, but also against the so-called 'strong' middle peasant".¹ Not much was heard of the living conditions of the *batrak*, which were like those of any poor peasant, till the formation of large-scale Sovkhozy and kolkhozy created a new kind of problem. In the autumn of 1928 Vserabotzemles asked for the provision of dining-rooms, baths, crèches, etc. for Sovkhoz workers. At this time only 45 per cent of regular workers and 20 per cent of seasonal workers on Sovkhozy were housed; this was said to account for the transient character of much of the labour.² At the eighth trade union congress in December 1928 a woman *batrak* working on the Gigant kolkhoz complained of a lack of doctors, of schools for children and of cultural amenities of all kinds, including newspapers.³ But this was a plea to introduce factory conditions to the countryside, and had no relation to the life of the ordinary *batrak*.

The weak organization of the agricultural trade union, Vserabotzemles, and the low regard in which it was held in the trade union movement⁴, were an added handicap to action on behalf of the *batrak*. Membership of the union rose continuously from 250,000 (including 52,000 *batraks*) on January 1, 1924, to 900,000 (including nearly 500,000 *batraks*) on July 1, 1927;⁵ at the sixth congress of Vserabotzemles at the end of November 1928 the total membership was "over a million", of whom 600,000 were *batraks* or shepherds.⁶ But such figures had little meaning. When a delegate of Vserabotzemles at the seventh trade union congress in December 1926 pointed out that "a flood of workers

¹ L. Trotsky, *The Real Situation in Russia* (n.d. [1928]), p. 46. According to a reply in *Pravda*, December 1, 1927, *Diskussionnyi Listok*, No. 10, the estimate of 63 per cent of pre-war wages related to 1924; the correct figure for 1927 was 80 per cent for males and 86 per cent for females.

² *Trud*, October 2, 25, 1928.

³ *Vos'moi S'ezd Professional'nykh Soyuzov SSSR* (1929), pp. 87-88.

⁴ See *Socialism in One Country, 1924-1926*, Vol. 1, p. 235, note 1.

⁵ *Pravda*, November 29, 1927, *Diskussionnyi Listok*, No. 8; the figure 1,900,000 is presumably a misprint for 900,000.

⁶ *Pravda*, November 28, 1928. According to an article by Yakovlev, *ibid.* November 27, 1928, the number of *batraks* at this time was 2,500,000; one-fifth of them — including one-half of all male *batraks* — were members of Vserabotzemles.

migrating from the country to the towns" now passed through this union, and complained of a condescending attitude adopted by the trade unions to workers from the countryside, Tomskey made the not very reassuring reply that the principal concern of the trade union movement must be "the genuine, pure proletariat which does not possess a spot of land or any roof of its own — the urban factory and workshop proletariat".¹ Early in 1927 the party central committee adopted a long but abortive resolution on the shortcomings of Vserabotzemles — the weakness of its cultural work and of its defence of *batrak* economic interests;² and the fifteenth party congress in December 1927 pronounced it indispensable for Vserabotzemles to "strengthen its work in organizing the still unorganized *batraks*" and to draw into the union other "semi-proletarian elements in the countryside".³ But the president of the sixth congress of Vserabotzemles in November 1928 admitted that "the majority of *batraks* are unorganized and illiterate" and "have no idea what the union is";⁴ and at the eighth general trade union congress in the following month, the representative of Narkomtrud explained that many categories of rural workers could not expect to enjoy "all the guarantees of the labour code devised for permanent hired labour", and that modifications were required to "give the middle and poor peasant the possibility to employ auxiliary labour".⁵ This gave the *batrak* little prospect of effective help either from trade union or from Soviet organizations.

The general principles of land utilization made no attempt to conceal or to limit the prevalence of hired labour in the countryside, but divided it sharply into two categories (arts. 45-46). Hired

¹ *Sed'moi S'ezd Professional'nykh Soyuzov SSSR* (1927), pp. 194, 236; at the eighth congress two years later a woman *batrak* complained that she received nothing from the union but "fine words" and forms which, being illiterate, she could not read (*Vos'moi S'ezd Professional'nykh Soyuzov SSSR* (1929), p. 113).

² *Spravochnik Partinogo Rabotnika*, vi (1928), ii, 636-641.

³ *KPSS v Rezolyutsiyakh* (1954), ii, 485-486.

⁴ For this congress see *Pravda*, November 28, 30, 1928; *Bednota*, December 1, 2, 5, 1928; for the fifth congress in January 1926 see *Socialism in One Country, 1924-1926*, Vol. 1, p. 315. A resolution of the party central committee of March 4, 1929, again expressed concern at the inadequacy of the work of Vserabotzemles, and called on trade union, party, Soviet and cooperative organs to help to strengthen it (*Izvestiya Tsentral'nogo Komiteta VKP(B)*, No. 10(269), 1929, pp. 11-13).

⁵ *Vos'moi S'ezd Professional'nykh Soyuzov SSSR* (1929), p. 321.

labour in working households was governed by the temporary rules of April 1925; in other households, including all *kulak* households, hired labour was subject to the provisions of the labour code and to inspection by the labour inspection department of Narkomtrud and by organs of the village Soviet. A decree of the TsIK of the USSR of February 20, 1929, which purported to regulate the employment of hired labour, both in "peasant holdings of the *kulak* type" and in "working peasant holdings", enacted the formal requirement that all such employment in *kulak* households should be covered by agreements authorized by the trade union.¹ But, a few days later, it transpired from a decree of Sovnarkom that the end in view, while purporting to tighten restrictions on employment of labour on *kulak* holdings, was to relax restrictions elsewhere and to make certain "indispensable amendments" to the temporary rules of April 1925.² When the sixteenth party conference met in April 1929, in the full flush of the campaign against the *kulak*, the trade union leader Antselovich complained vigorously of the neglect of the *batrak* by the party and by the conference. He maintained that the "proletarian stratum" in the countryside numbered ten millions, that measures hitherto taken had only aggravated their plight, and that industrialization was the only way out for the *batraks*, who must be absorbed into industry, into Sovkhozy or into genuine large-scale kolkhozy; at present many kolkhozy were engaged in "the most scandalous exploitation of hired labour".³ This seemed to afford little encouragement to those who saw in collectivization the ultimate remedy for the sufferings of the *batrak*.

Side by side with the attempts to organize the *batrak* through Vserabotzemles, efforts continued throughout this period to organize the poor peasant through the peasant committees of mutual aid, through the committees of poor peasants in the Ukraine, and through "groups of poor peasants" elsewhere.⁴ Several factors

¹ *Sobranie Zakonov*, 1929, No. 14, art. 117.

² *Ibid.* No. 16, art. 138; a decree of July 11, 1929 formally amended the temporary rules to bring them into line with the decree of February 20, 1929 (*ibid.* No. 46, art. 402).

³ *Shestnadstataya Konferentsiya VKP(B)* (1962), pp. 428-429.

⁴ These organizations will be discussed in a subsequent volume; for the peasant committees of mutual aid see *Socialism in One Country, 1924-1926*, Vol. 1, pp. 233-234; Vol. 2, pp. 466-467.

rendered these persistent efforts abortive. Party membership in the countryside was chronically weak, both in number and in quality. Where contact was established between party members and *batraks* or poor peasants, it was too often nullified by mutual incomprehension. The voice of the often illiterate, and always inarticulate, *batrak* was not heard in party councils. It was true that the peasantry was split by divergent interests, and that differentiation was no empty word. It was true that the poor peasant was often exploited and intimidated by his richer neighbour. But it was also true — a paradoxical truth which puzzled and eluded the party leaders — that a strong solidarity of interest and feeling existed among all sections of the peasantry, a solidarity of country against town, of peasants against a remote and centralized authority, and that in moments of crisis the poor peasant would turn more readily to the *kulak* for aid, which would be forthcoming on hard, but known, terms, than to a party and government whose concentration on industrial interests created an impression of fundamental indifference or hostility to peasant concerns. Doubts were thrown from time to time on the underlying assumptions of the party leaders that the *batrak* was a member of the proletariat,¹ and that the poor peasantry was the firm ally of the urban working class.² But these assumptions were deeply rooted in party doctrine as well as in the practical needs of party policy. It seemed both rational and convenient to suppose that *batraks* and poor peasants had a natural bent towards collectivization, and that in a moment of crisis their support could be counted on in any action against their traditional enemy, the *kulak*. This proved, in the sequel, to be a major miscalculation.

¹ An article in the journal of the agrarian section of the Communist Academy in 1929 argued that, owing to survivals of the period of serfdom and the weak development of capitalism, “*the proletarianization of the peasantry has taken the form of pauperization*”. and that the victims of this process were “not pure proletarians, but small pauperized households of semi-proletarians” (*Na Agrarnom Fronte*, No. 11-12, 1929, p. 55).

² For a rare expression of scepticism by Stalin on this point see *Sochineniya*, vii, 28.

CHAPTER 5

AGRICULTURAL COOPERATIVES

THE agricultural cooperatives, ever since the resolution of the fourteenth party conference in April 1925,¹ had contrived to make the best of both worlds. On the one hand, they were old-established institutions, acceptable in principle to the mass of the peasantry, and especially to the well-to-do peasant, and not incompatible with the maintenance of individual holdings and individual cultivation of the soil. On the other hand, they were associated with practical measures to improve crop yields, such as the transition to the multi-field rotation, the supply of seeds, machines and tractors, and improved methods of marketing; and, thanks to the emphatic blessing given to cooperatives by Lenin in his last writings, they could be hailed as landmarks on the road to socialism and to the collective organization of agriculture.² The term "agricultural cooperatives" in the later nineteen-twenties covered a large number of societies with varying functions and varying types of organization.³ The statistics of agricultural cooperatives always lacked precision. Kolkhozy were sometimes included in the classification and sometimes excluded.⁴ A great many independent or "wild" (dikie) cooperatives were affiliated to no central cooperative organization, and their numbers (since they escaped registration altogether) were largely a matter of guesswork.⁵

¹ See *Socialism in One Country, 1924-1926*, Vol. 1, pp. 281-282.

² For the ambiguities of Lenin's "Cooperative Plan" see Note B, pp. 920-924 below.

³ For general accounts of the agricultural cooperatives at this time see *Na Agrarnom Fronte*, No. 5-6, 1926, pp. 29-40; No. 7-8, 1926, pp. 60-71; *Ekonomicheskoe Obozrenie*, No. 12, 1928, pp. 127-133.

⁴ See pp. 169-171 below.

⁵ Estimates of the proportion of independent cooperatives varied from one-third of the total on October 1, 1926 (Ya. Yakovlev, *K Voprosu o Sotsialisticheskome Pereustroistve Sel'skogo Khozyaistva SSSR* (1928), p. 176), to 40 per cent in the following year (*Izvestiya Tsentral'nogo Komiteta VKP(B)*, No. 36(209), September 25, 1927, p. 4), and less than one-fifth somewhat later (G. Ratner, *Agricultural Cooperation in the Soviet Union* (1929), p. 11).

With these reservations, the following official totals of agricultural cooperatives may be recorded for the dates named :

	October 1, 1927	October 1, 1928	October 1, 1929
All Agricultural			
Cooperatives	61,585	107,000	165,000
(including kolkhozy	18,840	38,289	71,108) ¹

That the number of agricultural cooperatives and of their members grew rapidly in these years is beyond doubt, though some of the increase may be reasonably attributed to improved organization and more comprehensive records. By the middle nineteen-twenties, the "general" or "universal" agricultural cooperatives, which purported both to market agricultural products and to supply the needs of agricultural producers, were in a parlous condition,² and faded out of the picture, being gradually superseded by "specialized" cooperatives devoted to a single product or a single function; by 1928 these were in a majority.³ The "specialized" agricultural cooperatives were divided into two categories — those concerned with marketing and those concerned with various processes of production. The agricultural credit cooperatives formed a separate category.⁴

The agricultural marketing cooperatives were grouped in "unions" or "centres" on a national scale — Maslotsentr, L'notsentr, Soyuzkartofel', Plodovinsoyuz, Tabakovodsoyuz and so forth, all loosely affiliated to the central agricultural cooperative

¹ *International Cooperation, 1927-1929* (International Cooperative Alliance, 1930), p. 222. Another source put the number of agricultural cooperatives in 1927 at 66,800 embracing 7,369,000 peasant households (*Na Agrarnom Fronte*, No. 1, 1928, p. 73); this corresponded with the 32 per cent of all peasant households claimed at the fifteenth party congress in December 1927 (*Pyatnadsatyi S"ezd VKP(B)*, i (1961), 101).

² In the "universal" cooperatives at this time, it was reported that "failure to meet obligations, protested bills and cases of liquidation of unions are met with fairly often"; in 1925 only 26 per cent of these cooperatives were said to be in a "satisfactory", and 40 per cent in a "more or less satisfactory", financial condition (*Na Agrarnom Fronte*, No. 5-6, 1926, p. 34).

³ For a table showing the decline of the general and the rise of the specialized cooperatives between 1925 and 1928 see G. Ratner, *Agricultural Cooperation in the Soviet Union* (1929), p. 11.

⁴ For these see pp. 153-157 below.

organ Sel'skosoyuz.¹ The marketing cooperatives were the most successful and most firmly established of the agricultural cooperatives. A session of the council of Sel'skosoyuz in May 1926 noted that the cooperatives had expanded most in the most highly commercialized sectors of agriculture (butter, flax, beet, potatoes, etc.). But it stressed the need for specialization in the form of "both production and marketing societies".² A massive resolution of the party central committee of August 19, 1926, which included kolkhozy as well as agricultural cooperatives in its scope, convicted the cooperatives of not taking sufficiently into account "the needs and interests of the producer" and of "a commercial deviation to the detriment of the cooperative marketing and producing side of the work"; agricultural cooperatives were to be brought into closer relation with "the work of the planning and regulating organs" for the special purpose of controlling prices of agricultural products.³ Kaminsky, the spokesman of the agricultural cooperatives, told the fourth Union Congress of Soviets in April 1927 that the cooperatives now handled 89 per cent of the cotton crop, 83 per cent of the tobacco, and 70 per cent of the sugar-beet.⁴ In western Siberia, the centre of the butter-making industry, dairy cooperatives were particularly successful, and embraced 72 per cent of peasant households engaged in dairying.⁵ Agricultural cooperatives had from the first participated in the grain collections; and their grain-collecting organ, Khlebotsentr,⁶ was theo-

¹ For an account of these see G. Ratner, *Agricultural Cooperation in the Soviet Union* (1929), pp. 26-56.

² *Pravda*, May 11, 1926.

³ *Izvestiya Tsentral'nogo Komiteta VKP(B)*, No. 35-36 (156-157), September 6, 1926, pp. 3-4. On February 25, 1927, STO issued a decree designed to strengthen the organization of the agricultural cooperatives for these purposes (*Izvestiya*, March 18, 1927); but both resolution and decree were said to have remained on paper (*Pyatnadtsati S"ezd VKP(B)*, ii (1962), 1369; cf. *ibid.* ii, 1295).

⁴ *SSSR : 4 S"ezd Sovetov* (1927), p. 509; at the fifteenth party congress in December 1927 Kaminsky also claimed 50 per cent of the flax crop and 94 per cent of the market for butter (*Pyatnadtsati S"ezd VKP(B)*, ii (1962), 1365). For Kaminsky see *Voprosy Istorii KPSS*, No. 11, 1965, p. 127, and *Socialism in One Country, 1924-1926*, Vol. 1, p. 230; he was the spokesman of the agricultural cooperatives at the fourteenth party conference in April 1925 (*XIV Konferentsiya Rossiiskoi Kommunisticheskoi Partii (Bol'shevikov)* (1925), p. 133) and at the fifteenth party congress in December 1927 (*Pyatnadtsati S"ezd VKP(B)*, ii (1962), 1363-1369).

⁵ *Istoriya Sovetskogo Krest'yanstva i Kolkhoznogo Stroitel'stva v SSSR* (1963), p. 122.

⁶ See p. 15 above.

retically on the same footing as other specialized cooperative "centres" engaged in marketing agricultural products. But the peculiar importance of the grain collections gave it an independent status. The proportion of grain-growing peasants belonging to the marketing cooperatives was always lower than the proportion of those producing technical crops or dairy products. The situation was complicated by the endemic rivalry and competition between agricultural and consumer cooperatives;¹ and the system of the grain collections, though the agricultural cooperatives played their part in them, had little relation to the cooperative movement.

The second category of "specialized" agricultural cooperatives, those concerned with production, were much slower to develop than the marketing cooperatives. Preobrazhensky, in the discussions at the Communist Academy in January 1926, while conceding that agricultural producer cooperatives were "theoretically possible and practically inevitable", refused to believe in their present efficacy, and poked fun at "cooperative fideism with no scientific foundation".² So far as concerned any form of collective or cooperative cultivation, this scepticism was justified; kolkhozy, whose status as agricultural cooperatives was in any case dubious, were not in favour at this time.³ But societies of many kinds designed to aid the peasant to maintain and expand his production came into being with official encouragement;⁴ and these were sometimes, but not invariably, registered as agricultural cooperatives. The most numerous of the producer agricultural cooperatives in the later nineteen-twenties were said to have been machine and tractor cooperatives; then followed land improvement cooperatives, cattle-breeding cooperatives and seed cooperatives.⁵ What remained obscure and uncertain was the formal status of many of these societies. In 1927 a majority of agricultural

¹ See pp. 15-16, 47 above.

² E. Preobrazhensky, *Novaya Ekonomika* (1926), p. 261.

³ See *Socialism in One Country, 1924-1926*, Vol. 1, pp. 220-222.

⁴ A. P. Smirnov in May 1926 issued a warning against the indiscriminate creation of cooperatives "from above", and "the extreme ease with which funds are obtained" by such organizations (*Pravda*, May 23, 1926).

⁵ G. Ratner, *Agricultural Cooperation in the Soviet Union* (1929), p. 57; *Kolkhozy SSSR: Statisticheskii Spravochnik* (1929), p. 61, Table 27, records on October 1, 1928, 22,000 machine societies, 5077 land improvement societies and 3848 seed cooperatives, with 390,500, 518,700 and 141,100 members respectively

cooperatives concerned with production were said to be independent and affiliated to no central cooperative organization; of several thousand land improvement societies only 450 were duly registered as agricultural cooperatives.¹

The year 1927 saw what was apparently an abortive attempt to introduce order into the chaotic system of agricultural cooperatives and to enhance the element of cooperative production. Sel'skosoyuz never succeeded in establishing its authority over the new producer cooperatives;² and in 1926 a proposal was made to restrict its functions in regard to them to the distribution of supplies required in agricultural production.³ A decree of May 3, 1927, by-passing Sel'skosoyuz, provided for the unification of agricultural producer cooperatives round a single centre. A new organization called "the union of agricultural cooperative unions" (often known simply as the "soyuz soyuzov" or "union of unions") was created with authority over all agricultural producer cooperatives, except those in the Ukraine, which retained their independent central organ, Sil'skii Gospodar': Kaminsky, who had just been appointed president of the newly created Kolkhoztsestr, became the president of the new union. Sel'skosoyuz was re-organized as an independent organ concerned with the supply to agriculture of "the means of production", i.e. machines and seeds.⁴ Little progress was made in clearing up relations between the agricultural cooperatives and the increasingly powerful and independent kolkhozy.⁵ The party attitude remained ambivalent. Milyutin at the fifteenth party congress in December 1927 admitted that the cooperatives made little contribution to agricultural production.⁶ Undeterred by these warnings, however,

¹ *Bol'shevik*, No. 19-20, October 31, 1927, p. 150; according to *Kontrol'nye Tsifry Narodnogo Khozyaistva SSSR na 1928-1929 god* (1929), p. 103, the proportion of independent cooperatives was highest in machine, land improvement and cattle-breeding societies.

² See *Socialism in One Country, 1924-1926*, Vol. 1, p. 276, note 1.

³ *Na Agrarnom Fronte*, No. 5-6, 1926, pp. 39-40.

⁴ *Spravochnik Partiinogo Rabotnika*, vi (1928), ii, 655-656; V. Danilov, *Sozdanie Material'no-Tekhnicheskikh Predposylok Kollektivizatsii* (1957), p. 143; G. Ratner, *Agricultural Cooperation in the Soviet Union* (1929), p. 10. For Kaminsky see p. 146, note 4 above; for his appointment as president of Kolkhoztsestr see p. 160 below.

⁵ See pp. 169-171 below.

⁶ *Pyatnadsatyi S'ezd VKP (B)*, ii (1962), 1332. The compilers of the Gosplan control figures for 1927-1928 shared the prejudice against producer cooperatives, attaching "predominant importance" to the consumer coopera-

the congress in its resolutions on the five-year plan and on work in the countryside rebutted the critical attitude of the opposition to the agricultural cooperatives, declared that "side by side with the development by all means of the *marketing* cooperatives, it is essential to give great support to all viable forms of *producer* cooperatives", and sought to bring the independent cooperatives into the general system of agricultural cooperatives.¹ By these means the agricultural cooperatives were to be more effectively drawn into the execution of public policy, and fitted into the framework of Soviet economic institutions. Some progress was made on the marketing side. After the harvest of 1928, the agricultural cooperatives handled 35 per cent of the planned grain collections, and much higher proportions (reaching 100 per cent for cotton) of technical crops, as well as 85.9 per cent (as against 73.2 per cent in the previous year) of all industrial goods supplied for agricultural purposes, including 90 per cent of agricultural machines, and 67 per cent of tractors and spare parts.² The agricultural cooperative "union of unions" drew up two successive five-year plans for 1927-1928 to 1931-1932 and 1928-1929 to 1932-1933; the former predicted that 70 per cent, the latter that 85 per cent, of peasant households would belong to the cooperatives before the end of the five years.³ But the formation in July 1928 of a Union council of agricultural cooperatives⁴ seemed merely to add to an already overloaded cooperative bureaucracy.

The long recognized tendency of the agricultural cooperatives to serve as a bulwark of the well-to-do peasant,⁵ and as an instrument of policies designed to strengthen his resistance to large-scale collectivization, made difficult any whole-hearted reconciliation between them and the *kolkhozy*, and continued to excite controversy

tives and to "agricultural cooperatives with marketing and supply functions"; the rate of growth of agricultural cooperatives was shown as lower than that of consumer cooperatives (*Kontrol'nye Tsifry Narodnogo Khozyaistva SSSR na 1927-1928 god* (1928), pp. 378-379).

¹ *KPSS v Rezolyutsiyakh* (1954), ii, 462, 475, 483; for the criticisms of the opposition and the pronouncements of the congress on the social composition of the cooperatives see pp. 150-151 below.

² *Na Agrarnom Fronte*, No. 5, 1929, p. 13.

³ *Ibid.* No. 6, 1929, pp. 135-136.

⁴ *Problemy Istochnikovedeniya*, iv (1955), 77.

⁵ See *Socialism in One Country*, 1924-1926, Vol. 1, pp. 278-280.

in the party. The opposition "declaration of the 13" submitted to the session of the party central committee in July 1926 alleged a deliberate attempt by the authorities to transfer the control of the agricultural cooperatives from poor peasants and communists to "strong" middle peasants.¹ But in fact no such conscious policy need be suspected. "The *kulak*", wrote *Pravda*, "simply does not enter a cooperative where he has no possibility of carrying out his line", and quoted a *kulak* from Saratov as saying: "You have the Soviet, we have the cooperative".² The social composition of agricultural cooperatives varied to some extent with the nature of their specialization. The prosperous dairy cooperatives were in the hands of well-to-do peasants; the far less important potato cooperatives had mainly poor peasant members.³ A contemporary estimate based on admittedly inadequate statistics showed that, in 1927-1928, 25-30 per cent of poor peasants, 40 per cent of middle peasants, and 50-60 per cent of *kulaks* belonged to agricultural cooperatives; the overall proportion was 35 per cent.⁴ This meant that 30 per cent of peasant households belonging to agricultural cooperatives were poor peasant, 60 per cent middle peasant and 10 per cent well-to-do or *kulak*.⁵ The favourite argument that the road to socialism led from the *mir* through the cooperatives to full collectivization was countered by statistics showing that a far higher percentage of peasants holding *khutors* or *otrubs* belonged to the cooperatives

¹ The charge was repeated in the declaration of the 8 dissentients who voted against a resolution "On Work in the Countryside" (Trotsky archives, T 882). In an unpublished memorandum of July 11, 1926, in the Trotsky archives (T 2993, pp. 6-7), Trotsky attributed this policy personally to A. P. Smirnov and Kaminsky; in another unpublished memorandum of February 1927 he bracketed Kaminsky with Milyukov and Ustryalov (Trotsky archives, T 3028). The opposition platform of September 1927 more justly observed that "the class character of the agricultural cooperatives will be determined not only by the numerical weight of the different groups of the peasantry in the cooperatives, but more particularly by their relative economic weight" (L. Trotsky, *The Real Situation in Russia* (n.d. [1928]), p. 73).

² *Pravda*, July 31, 1926.

³ *Kontrol'nye Tsifry Narodnogo Khozyaistva SSSR na 1927-1928 god* (1928), pp. 382-383.

⁴ *Na Agrarnom Fronte*, No. 5, 1929, p. 14; see *Sel'skoe Khozyaistvo SSSR, 1925-1928* (1929), p. 136, for a later calculation in terms of ownership of means of production (tools and animals).

⁵ *Istoriya Sovetskogo Krest'yanstva Kolkhoznogo Stroitel'stva v SSSR* (1963), p. 68.

than of peasants remaining in the *mir*.¹ The resolution of the party central committee of August 19, 1926, on work in the co-operatives stressed the need to pay more attention to poor peasant households and to secure that all "the different sections of the peasantry" had their due share of representation in the co-operatives.² Apparently as a result of this initiative, a system was introduced of differential contributions to the co-operatives payable by different sections of the peasantry, and a fund was set up to finance the entry of poor peasants into the co-operatives.³ The fifteenth party congress in December 1927 boasted, by way of refuting the opposition, that "the composition of our rural co-operatives differs sharply from their composition in the pre-revolutionary period", and that "fundamentally our co-operatives are poor peasant and middle peasant co-operatives". At the same time, in a less polemical passage, it admitted "the relatively weak membership of co-operatives among the poor peasantry and the disproportionately high membership in the well-to-do top stratum in the countryside", as well as "similar defects" in the elective organs of the co-operatives, "in spite of the decision not to admit the *kulak* to these organs"; and it censured the co-operatives for "frequently not offering proper resistance to the pretensions of *kulaks*" and favouring them in the supply of machines and credits.⁴

In June 1928 the problem of the social and political complexion of rural co-operatives once more preoccupied the party central committee, which called for reports on the personnel of both agricultural and consumer co-operatives in regions producing grain or raw material crops.⁵ The reports resulted, in November 1928, in a damning resolution, which diagnosed "a considerable contamination of the lower apparatus and of the middle ranks of the agricultural co-operatives by class-alien and corrupt elements" and "a low qualification and evident unsuitability for the work undertaken in a large stratum of party workers". Funds to facilitate

¹ *Na Agrarnom Fronte*, No. 10, 1926, pp. 90-91; a delegate at the fifteenth party congress in December 1927 attacked the current view that "land communities may, in certain conditions, become a ready-made cell for producer co-operatives" as contrary to the "traditions" of the *mir* (*Pyatnadtsatyi S"ezd VKP(B)* ii, (1962), 1265).

² For this resolution see p. 146 above.

³ *Materialy po Istorii SSSR*, i (1955), 251-252.

⁴ *KPSS v Rezolyutsiyakh* (1954), ii, 475-476, 479-480.

⁵ *Izvestiya Tsentral'nogo Komiteta VKP(B)*, No. 20 (241), June 30, 1928, p. 7.

the admission of poor peasants to the cooperatives were "poorly utilized", and the percentage of well-to-do peasant members in comparison with poor peasants was still high.¹ An appeal made at the Union council of agricultural cooperatives in December 1928 to bring *batraks* into the cooperatives was, however, coldly received.² An article in the party journal in December 1928 attacked the cooperatives as being not specifically socialist;³ and in the same month Sovnarkom issued another decree directed against "bogus cooperatives" which had been infiltrated by *kulaks*.⁴

After the discrediting of Bukharin, once their most active champion, the cooperatives were still more suspect in party circles as a hotbed of the "Right deviation".⁵ With the weight of party effort now entirely concentrated on the techniques of large-scale cultivation, and on the expansion of the *kolkhozy*,⁶ the subordination of the agricultural cooperatives to the *kolkhozy* became more marked. A vigorous attack on them in the journal of Gosplan alleged that "the peasant is torn in pieces by different branches of the agricultural cooperatives", and was faced with a vast number of forms, enquiries and cooperative officials.⁷ As the Soviet Union advanced towards the collectivization of agriculture, the agricultural cooperatives, which had never entirely sloughed off the tradition of their origin as organs of peasant proprietors, or the suspicion of serving interests opposed to collectivization, inevitably lost their effectiveness as independent organizations, and receded into the background. In the summer of 1929 the need to press every existing organization into the precarious work of the grain collections and of progressive collectivization brought about a temporary revival of interest in the agricultural cooperatives, which were urged "to assist by every means the transformation of the simplest unions into more complex forms of producer co-

¹ *Izvestiya Tsentral'nogo Komiteta VKP(B)*, No. 34 (255), November 22, 1928, pp. 10-11.

² *Pravda*, December 4, 6, 1928.

³ *Bol'shevik*, No. 23-24, December 31, 1928, pp. 132-133.

⁴ *Sobranie Zakonov*, 1929, No. 3, art. 28; according to a critical observer, the term "bogus cooperative" was "an agitational catchword in the class struggle" (G. Cleinow, *Neu-Siberien* (1928), p. 410). For "bogus *kolkhozy*" see pp. 165-166.

⁵ *Na Agrarnom Fronte*, No. 4, 1929, pp. 36-37.

⁶ See pp. 171-175 below.

⁷ *Planovoe Khozyaistvo*, No. 3, 1929, p. 105.

operatives, and the organization on this basis of large-scale collective production".¹ But the introduction of mass collectivization led logically to their virtual extinction in the following year.

Credit cooperatives were a recognized and, since 1925, well-established form of agricultural cooperatives, though emphasis was laid on the necessity of keeping their functions and their organization apart.² The credit cooperatives were constantly handicapped by lack of independent resources. Deposits from members were negligible; members' dues were small and often in arrears; and they were in practice dependent directly or indirectly on state credit, being the channels through which credit passed to the peasants, by way of the republican agricultural banks, from the Central Agricultural Bank (Tsentralsel'bank).³ A party resolution on agricultural credit, adopted on August 19, 1926, the same day as an important resolution on the agricultural cooperatives, explained that the policy was "to draw the resources of the population into agricultural credit societies and to render assistance by way of credit to the peasant population"; priority was to be given to "the poor and middle strata of the peasantry". Provision was made for "a system of agricultural credit" flowing from the Central Agricultural Bank through the republican banks to local agricultural credit cooperatives. The Central Agricultural Bank and Sel'skosoyuz were to draw up a model statute for such societies. This meant a retreat from the decision of 1925 to keep agricultural and credit cooperatives entirely separate; agricultural cooperatives might now perform credit functions as "branches" or "agencies".⁴ The number of local credit societies integrated

¹ See a decree of June 21, 1929 (*Sobranie Zakonov*, 1929, No. 44, art. 385) and a party resolution of June 27, 1929 (*Izvestiya Tsentral'nogo Komiteta VKP(B)*, No. 23-24(282-283), August 25, 1929, pp. 19-20).

² For relations between the two categories see *Socialism in One Country*, 1924-1926, Vol. 1, pp. 280-281, 471-472.

³ *Ibid.* Vol. 1, pp. 474-475; for the failure of the credit cooperatives to extract any substantial savings from the peasants, in the form either of dues or of deposits, see *Ekonomicheskoe Obozrenie*, No. 6, 1929, p. 40.

⁴ *Izvestiya Tsentral'nogo Komiteta VKP(B)*, No. 35-36 (156-157), September 6, 1926, pp. 4-5; for the resolution on the agricultural cooperatives see p. 146 above. For the 1925 decision see *Socialism in One Country*, 1924-1926, Vol. 1, pp. 280-281.

in the agricultural credit system rose from 6744 with 1,544,000 members in 1924 to 8453 with 5,450,000 members in 1927 and to 9808 with 7,454,000 members in 1928, the last figure representing 27.3 per cent of all peasant households.¹ Credits outstanding in the year 1926-1927 amounted to 430 million rubles passing through the provincial network (40 per cent of it long-term), including 252 millions which also passed through the lower cooperative network (35 per cent long-term).² On January 18, 1927, the Sovnarkom of the USSR issued a decree defining the status and functions of "agricultural credit societies", which were declared to form part of the system of agricultural cooperatives. The decree continued to make the unrealistic assumption that the major part of the capital of credit cooperatives would be derived from members' dues.³ This illusion was finally abandoned in a further decree a year later which, while again referring to funds derived from internal resources, evidently expected the credit cooperatives to rely mainly on long-term credits from the banks.⁴

The class factor in credit policy had been implicit from the outset. The twelfth party congress in April 1923 had counted on state and cooperative credit "to drive a wedge into the economic relations of the peasantry with the *kulak*".⁵ A decree of March 17, 1926, provided for the setting up of a fund for advances to poor peasants to be financed from republican and local budgets and from profits of existing credit institutions, and dispensed through the agrarian banks of the republics; by a subsequent instruction credits were to be advanced only for the purchase of animals or implements, and were to be limited to credits of 200

¹ *Puti Pod'ema i Sotsialisticheskoi Rekonstruktsii Sel'skogo Khozyaistva*, ed M. Latsis and I. Litvinov (1929), p. 104.

² *Statisticheskii Spravochnik SSSR za 1928 god* (1929), p. 298; the largest advances (in million rubles) were made for the purchase of working animals (56.6), and of agricultural machines and implements (62.7), and for buildings (27.2), other items being for pedigree bulls and cows, for technical crops, for land improvement and for tractors (*ibid.* p. 294).

³ *Sobranie Zakonov*, 1927, No. 4, art. 44; it was the absence of such support which led a critic to declare that "credit cooperatives simply do not yet exist", and that "we have no such thing as an agricultural credit society working in any way as an independent organization of the peasant population" (*Na Agrarnom Fronte*, No. 7-8, 1926, p. 69).

⁴ *Sobranie Zakonov*, 1928, No. 14, art. 120.

⁵ *KPSS v Rezolyutsiyakh* (1954), i, 748.

or, exceptionally, 300 rubles for from 3 to 5 years.¹ By October 1, 1927, the fund had reached a total of nearly 33 million rubles, mainly drawn from republican budgets ; and a further 7.5 million rubles was contributed from the Union budget of 1927-1928.²

Doubts about the social complexion of the cooperatives were, however, particularly acute in the case of the credit cooperatives ; for the natural inclination of the dispensers of credit to prefer financially sound borrowers was in direct conflict with the policy of favouring and subsidizing the needy peasant ; one of the proposals of the opposition in the discussions of October 1926 was " to condemn the ' bias ' of the credit cooperatives in favour of the top strata in the countryside ".³ Attempts were at first made to deny or minimize the bias. Figures were quoted to show that in 1926-1927 33.8 per cent of sums advanced (75 million rubles) went to poor and the poorer middle peasants, 56.6 per cent (125-130 millions) to middle peasants, and 9.6 per cent (20 millions) to *kulaks*.⁴ But a report prepared for the fifteenth party congress of December 1927 referred to the abundance of credits to well-to-do peasants as " a violation of the party line which must be most decisively corrected ".⁵ Evidence of discrimination continued to accumulate. A poor peasant had to pay 30 per cent down for a plough, and the remaining 70 per cent after the first harvest ; a middle peasant living half a verst away paid 15 per cent down, and got credit for three years at half the rate charged to the poor peasant.⁶ In the provinces of Voronezh, Tambov and Kursk peasants holding more than 4 hectares of sown land received a proportionately larger share of credit than those holding less ; and the same result was obtained from a calculation in terms of working animals owned.⁷ An enquiry by the Rabkrin of the

¹ *Sobranie Zakonov*, 1926, No. 27, art. 171 ; *Na Agrarnom Fronte*, No. 10, 1927, p. 122.

² *Sobranie Zakonov*, 1926, No. 10, 1928, pp. 69-70. For the allocation of agricultural credits in 1926-1927 see p. 154, note 2 above ; similar figures for later years do not seem to be available.

³ *XV Konferentsiya Vsesoyuznoi Kommunisticheskoi Partii (B)* (1927), p. 507.

⁴ *Istoriya Sovetskogo Krest'yanstva i Kolkhoznogo Stroitel'stva v SSSR* (1963), p. 70, note 75.

⁵ Ya. Yakovlev, *K Voprosu o Sotsialisticheskome Pereustroistve Sel'skogo Khozyaistva* (1928), p. xvi.

⁶ *Voprosy Torgovli*, No. 12, September 1928, p. 54.

⁷ *Na Agrarnom Fronte*, No. 11, 1928, pp. 104-105.

RSFSR in the spring of 1928 revealed "a glaring distortion in 1925-1926 of the party line in the matter of the social channelling of credit"; and information from several regions for 1926-1927 presented "the same unattractive picture". In several provinces the proportion of advances made to the small minority of well-to-do peasants varied from 16.5 to 24.2 per cent of the total; the average advance to a well-to-do peasant was double that made to the poor peasant.¹ Credit societies, *Izvestiya* sourly reported, proceeded on the principle that "our business is to trade, not to organize", and gave preference to the well-to-do customer.²

Official efforts to stem these trends were steadily intensified. A decree of the RSFSR of June 9, 1928, laid down the principle that, in agricultural credit cooperatives, the proportion of poor peasants among borrowers should be in excess of their proportion among due-paying members, and that average advances to poor peasants should exceed average advances to other members.³ A decree of the USSR of September 7, 1928, reserved 40 per cent of all agricultural credits for the benefit of the poor peasant. Interest rates were to be lowered in his favour, and terms of repayment extended; and these and other concessions were to be used to convert the poor peasant to collective enterprise.⁴ Advances were as a rule earmarked for specific purposes: the commonest of these was the purchase of a horse, a cow, feeding-stuffs or implements.⁵ But, in spite of these efforts, the system of advances to poor peasants continued to encounter sharp criticism. It was argued that single small advances to poor peasant households which had "no other means of production than their own hands" did nothing to raise the standard of cultivation and were simply squandered: "aid to the poor peasant who has virtually no pro-

¹ *Na Agrarnom Fronte*, No. 10, 1928, pp. 65-67.

² *Izvestiya*, April 7, 1928; for a naïve complaint that the credit cooperatives gave credit only "to the credit-worthy, i.e. those who could repay the advance", and refused to give credit to poor peasants except on direct instructions from the centre, see *Bednota*, August 26, 1928. It is less surprising that Kondratiev should have preached "freedom" for the cooperatives and the abandonment of "philanthropy" as a motive for granting credit (*Bol'shevik*, No. 13, July 15, 1927, p. 37).

³ *Sobranie Uzakonenii*, 1928, No. 90, art. 586; a similar decree was issued by the Ukrainian SSR (*Pravda*, July 5, 1928).

⁴ *Sobranie Zakonov*, 1928, No. 59, art. 530.

⁵ *Na Agrarnom Fronte*, No. 12, 1928, p. 100.

ductive capacities must be given in other forms — not in the form of a small single credit”.¹ At the first all-Russian congress on agricultural credit, which was held in Moscow from January 17 to 22, 1929, Rudzutak gave conventional praise to the credit cooperatives for making the poor and middle peasant independent of the *kulak*. But he admitted that only 2 per cent of peasants who possessed no means of production got credit, whereas 20 per cent of peasants with means of production valued at more than 1600 rubles received it.² On the other hand, Lezhava, who was a deputy president of the Sovnarkom of the RSFSR, openly treated agricultural credit as a business proposition, and protested against “the simple provision of funds on the plea of poverty, on the plea of helping collective farms, of helping middle peasant farms etc.”; ³ and this point of view was apparently endorsed in a resolution of the TsIK of the USSR of February 13, 1929, which criticized “the complex and divided character of the management and control” of agricultural credit institutions, and declared that only cooperatives which were “solid in financial and economic respects” could be admitted to the system of agricultural credit.⁴ It was not surprising that critics should have continued to detect in the agricultural credit cooperatives “an extraordinarily weak . . . attention to the social destination of credit”.⁵ This seems to have been a remarkable instance both of the stubbornness of financial and cooperative institutions in resisting the trend of social policy, and of the practical difficulty of helping those who were too weak to help themselves.

¹ *Ibid.* No. 12, 1928, p. 99.

² *Pravda*, February 2, 1929.

³ This attitude was attacked by Shatskin, the Komsomol delegate at the sixteenth party conference in April 1929, as “a blurring of the party line” (*Shestnadtsataya Konferentsiya VKP(B)* (1962), p. 118; Lezhava’s speech, which was not reported at the time, is quoted *ibid.* p. 783, note 79, and in subsequent articles in *Komsomol’skaya Pravda*, May 14, 20, 1929).

⁴ *Sobranie Zakonov*, 1929, No. 10, art. 96.

⁵ *Ekonomicheskoe Obozrenie*, No. 6, 1929, p. 38; an article in *Na Agrarnom Fronte*, No. 10, 1928, pp. 63-86, gave many examples of the failure of credit cooperatives to help the poor peasant.

CHAPTER 6

KOLKHOZY

THE declining interest in the kolkhozy of various types which had been so marked a feature of official policy in 1925¹ provoked a certain reaction in the following year, when the attacks of the opposition and uneasy consciences in the party made it opportune to stress party loyalty to collective forms of agriculture as a corrective to the tendencies of the current party line. A Union kolkhoz council was created early in 1926;² but no record of its activities at this time has been found. The question of the kolkhozy and Sovkhozy was placed on the agenda of the Politburo for June 1926; and reports and materials on the kolkhozy were prepared by Sel'skosoyuz and Rabkrin, and on the Sovkhozy by Narkomzem.³ No decision of the Politburo is on record. But a resolution of the party central committee of August 19, 1926, spoke of "the significance of the kolkhozy in the work of a socialist transformation of agriculture" and "the need of real and comprehensive support for this movement from the party and the state", and recommended financial and other aid;⁴ and the TsIK of the RSFSR at its session of November 1926, in a resolution on the newly created North Caucasian region, noted "the fertile soil, the favourable conditions for the cultivation of high-quality grain and technical crops in many regions, the availability of pasture for cattle-breeding, the possibility of employing agricultural machinery to work larger tracts of soil" as elements conducive to the union of small holdings in cooperative and collective farms.⁵

¹ See *Socialism in One Country, 1924-1926*, Vol. 1, pp. 219-222.

² *Sobranie Zakonov, 1926*, No. 15, art. 161.

³ The materials were printed from the archives in *Istoricheskii Arkhiv*, No. 1, January-February 1960, pp. 12-54.

⁴ For this resolution, which was mainly concerned with the agricultural cooperatives, see p. 146 above.

⁵ *III Sessiya Vserossiiskogo Tsentral'nogo Ispolnitel'nogo Komiteta XII Sozyva : Postanovleniya* (1926), p. 249.

A long resolution of the party central committee of December 30, 1926, claimed that "the collective movement", which it described as "the most developed form of the immediate collectivization of agriculture", had begun to emerge from "the state of crisis in which it found itself in the first years of NEP", and that the kolkhozy were now increasing in numbers and efficiency. This advance was attributed, on the one hand, to the desire of the poor peasants "to liberate themselves from *kulak* exploitation" and, on the other, to "the development of mechanization, in particular, of cultivation by tractors". Great emphasis was laid on "the principles of free membership and freedom of choice of organizational forms" which were declared to be the basis of the kolkhoz movement:

Any kind of compulsion in the organization of kolkhozy or the artificial forcing of the transition from simpler to more complex forms would inevitably do immense damage to the collective movement and delay its development.

The resolution attempted to clarify the hitherto clouded relations between kolkhozy and agricultural cooperatives. The collective movement was to work "within the general system of agricultural cooperatives", and kolkhozy were to "enter as members into the general and special unions of agricultural cooperatives on the same basis as other cooperatives". But this apparent intention to treat the kolkhozy simply as agricultural cooperatives was negated by the decision to strengthen their independent organization. In addition to the existing Union council, kolkhoz centres were to be set up in each of the republics and to provide "organizational direction" for the kolkhozy; the movement was to receive "real and comprehensive support from the party and the state".¹

This resolution was evidently intended to mark a new departure in policy. A party commission was set up under the presidency of Molotov and brought about what Kalinin later called "a revolution of brains".² A decree of the USSR of March 16, 1927,

¹ *Direktivy KPSS i Sovetskogo Pravitel'stva po Khozyaistvennym Voprosam* (1957), i, 625-631; the resolution also dealt with the Sovkhozy (see p. 184 below). For relations between agricultural cooperatives and kolkhozy see *Socialism in One Country, 1924-1926*, Vol. 1, pp. 220-221.

² *Sheshtnadsataya Konferentsiya VKP(B)* (1962), p. 293; the appointment of the commission is not precisely dated, but probably followed the resolution of December 30, 1926.

on collective farms reproduced the substance, and in many places the text, of the party resolution;¹ and at a session of the Union kolkhoz council of April 6-10, 1927, the foundations of a new organization were laid. It was decided to create a "kolkhoz centre" (Kolkhozttsentr) of the RSFSR for the purpose of organizing and directing the kolkhozy, facilitating unions between them, and stimulating production.² Kaminsky, the leading party representative in the agricultural cooperatives, was made president of Kolkhozttsentr³ — a demonstration of the desire to treat kolkhozy and agricultural cooperatives as parts of one movement towards a socialized agriculture, and to end the rivalries and jealousies between them. A resolution of the party central committee at this time prescribed that the organization of kolkhozy, and the choice of leaders of the movement, should take place "under the direct leadership of party organs".⁴ A further appeal by the party central committee to local party organizations to participate actively in the elections of kolkhoz presidents followed in October 1927.⁵

Under this stimulus, the kolkhoz movement developed rapidly, though lack of reliable statistics makes it difficult to follow its progress with any accuracy. Statistical confusion resulted from the vagueness of the term itself. Apart from the three recognized types of kolkhoz — the commune, the *artel* and the TOZ⁶ — various other forms of association, including societies for the joint use of machines or the joint purchase of seeds, and land improvement societies, which were forms of agricultural cooperatives,

¹ *Sobranie Zakonov*, 1927, No. 15, art. 161; it was the first legislative act of the USSR on the kolkhozy. A similar decree was issued on the Sovkhozy (see pp. 184-185 below).

² *Problemy Istochnikovedeniya*, iv (1955), 62-63; no mention is made of corresponding centres in other republics. In October 1929 the Kolkhozttsentr of the RSFSR was amalgamated with the Union kolkhoz council to form a "Kolkhozttsentr of the USSR and the RSFSR" (*ibid.* iv, 66). The statement in G. Konyukhov, *KPSS v Bor'be s Khlebnymi Zatrudneniyami* (1960), pp. 203-204, that a Union Kolkhozttsentr was set up in April 1927 is apparently incorrect.

³ *Shestnadsataya Konferentsiya VKP(B)* (1962), p. 293; for Kaminsky see p. 146, note 4 above. ⁴ *Spravochnik Partiinogo Rabotnika*, vi (1928), i, 656-657.

⁵ *Izvestiya Tsentral'nogo Komiteta VKP(B)*, No. 39(212), October 22, 1927, p. 7.

⁶ For the three types of kolkhoz see *Socialism in One Country, 1924-1926*, Vol. 1, p. 219. The dividing line between them was not always clear or consistently drawn (*Bol'shevik*, No. 1, January 15, 1929, pp. 43-44); in the Ukraine in 1927, 28 per cent of the communes and 20 per cent of the TOZy converted themselves into *artels* (*Na Agrarnom Fronte*, No. 2, 1929, p. 93).

were often loosely classified as kolkhozy. Of some 13,000 kolkhozy in the Ukraine on October 1, 1927, 5000 were said to be machine-tractor societies.¹ Some statisticians included, others excluded, independent kolkhozy, i.e. those not formally registered as such.² Totals were inflated by the inclusion in the lists of "dead souls" — kolkhozy which had ceased to function, but had never been formally liquidated.³ An enquiry in the province of Samara in 1926 revealed that only 250 of 700 registered kolkhozy really existed ;⁴ and as late as April 1928, the peasant newspaper published an article on "the struggle against paper kolkhozy".⁵ Fluidity of membership was a frequent source of complaint. In the year from June 1, 1927, to May 31, 1928, communes lost 20.6 per cent of their members, *artels* 22.5 per cent and TOZy 24.2 per cent ; in the North Caucasian region losses of up to 80 per cent were reported, and were attributed to "the old way of life and the traditions of individual farming".⁶ Subject to these reservations, it appears that a slight rise in the number and membership of kolkhozy in 1926-1927 was followed by a spectacular rise in 1927-1928, which doubled their numbers.⁷ The rise may probably be attributed in part to local initiative, in part to pressure from the central authorities, and in part to a new-born eagerness to affix the collective label to forms of cultivation having only a shadowy claim to it ; and, while the number of kolkhozy certainly increased during this period, the changes in the nature of the institutions covered by the term were less reassuring. The new kolkhozy were substantially smaller than the old ; they tended towards looser rather than closer forms of cooperation ; and their social composition and character were subject to increasing doubts.

In the first place, the kolkhozy formed in 1927 and 1928 were generally of reduced size. At the outset kolkhozy, like Sovkhozy, had been formed mainly on former landowners' estates ; in 1926

¹ *Ibid.* No. 3, 1928, p. 53.

² For independent or "wild" agricultural cooperatives see p. 144 above.

³ *Na Agrarnom Fronte*, No. 7-8, 1926, p. 204 ; No. 5, 1928, p. 98 ; the latter article quotes (*ibid.* p. 111) widely different totals of the number of kolkhozy for 1924, 1925 and 1926 arrived at by different authorities.

⁴ *Ibid.* No. 2, 1927, pp. 31-32.

⁵ *Bednota*, April 20, 1928.

⁶ *Bol'shevik*, No. 20, October 31, 1928, p. 78.

⁷ See Table No. 9, p. 944 below.

44 per cent of kolkhozy were still of this kind.¹ This source had now dried up, and the formation of new kolkhozy depended, as was explained in the party central committee pronouncement of December 30, 1926, on "the initiative of the peasant population and organized help from the state".² "Organized help from the state" was at this time seldom forthcoming to any significant extent; "in the vast majority of cases", complained a party commentator, "the process of collectivization takes place spontaneously and without adequate leadership".³ New kolkhozy were founded by small groups of peasants, under various forms of pressure and encouragement, either on virgin soil or by combining existing households. Kolkhozy formed in 1928 were said to be less than half as large as those already in existence.⁴ Since the average area of the kolkhoz appears to have fallen more steeply in 1928 than the average number of households forming it, the conclusion follows that the new kolkhozy consisted of poorer households.⁵ Peasants forming kolkhozy in 1928 were substantially less

¹ *Istoricheskii Arkhiv*, No. 1, 1960, p. 40.

² For this resolution see p. 159 above.

³ *Bol'shevik*, No. 20, October 31, 1928, p. 80.

⁴ The following table gives the average size (in hectares) of kolkhozy of the three types formed before and during 1928:

	Formed before 1928	Formed in 1928
Communes	406.3	195.4 (including 128.0 under crops)
Artels	180.2	123.1 (do. 53.9)
TOZy	193.0	95.2 (do. 36.7)

(*Na Agrarnom Fronte*, No. 2, 1929, p. 79.)

⁵ The average number of households per kolkhoz in 1928 was 12.5 (*Sdvigi Sel'skogo Khozyaistva SSSR* (2nd ed. 1931), p. 36). In the Central Black-Earth region in 1926 the average number of persons in a kolkhoz was 76.4, the average number of households 14.5; these figures remained remarkably constant in 1927 and 1928 (*Istoricheskie Zapiski*, li (1955), 221). Kolkhozy in the Middle Volga region formed before 1928 averaged 16 households with 89 members, those formed in the first four months of 1928 14 households with 70 members; these were modestly described as "small, economically and technically weak, unions" (*Na Agrarnom Fronte*, No. 4, 1929, pp. 94, 101). In Stalingrad province an average of 8 households went to a kolkhoz (*ibid.* No. 11, 1928, p. 133). In the North Caucasian region, the regional party committee took a decision early in 1928 to deprive of the privileges of kolkhoz status kolkhozy comprising less than six households (*Bednota*, April 29, 1928). The number of households varied in proportion to the degree of collectivization involved; of a number of kolkhozy investigated in 1928, 33 communes comprised

well equipped with means of production than members of the old kolkhozy,¹ and were dependent on state credits for the acquisition of working animals and machines.²

Secondly, the whole NEP period had been marked within the kolkhozy by a progressive drift away from the closest forms of collective enterprise, the agricultural communes, to the TOZy, which were the loosest form of all. The idealistic mood of the first years of the revolution in which the agricultural communes had been born³ was now a rare exception.⁴ Early communes had often been formed by enthusiastic workers from the towns; but this form of enterprise had died away.⁵ Moreover, the commune as an institution was changing its character. A model statute and rules for agricultural communes issued in 1926 recommended the payment of workers according to the quantity and quality of the work and the charging of market prices for produce supplied to members.⁶ Siberia had been a fertile ground for the founding of communes; and in 1928 15 per cent of the Siberian kolkhozy were in this category.⁷ Yet here too the institution was on the decline. In one department of Siberia which had formerly boasted 100 communes only 30 survived in the spring of 1928, and 16 of these were officially reported to be "sick".⁸ A Rabkrin report of 1926 named "excessive 'communization' of daily life, including articles of personal use", as a cause of the unpopularity of the

555 households, 14 *artels* 154 households, and 45 TOZy 494 households (*Na Agrarnom Fronte*, No. 10, 1929, p. 104).

¹ *Kontrol'nye Tsifry Narodnogo Khozyaistva SSSR na 1928-1929 god* (1929), p. 104; see also table *ibid.* p. 117. Of the old kolkhozy, 45 per cent were said to have had tractors by the beginning of 1929, of those founded in 1929 only 10 per cent (*Shestnadtsataya Konferentsiya VKP(B)* (1962), p. 237); it was calculated at this time that a kolkhoz of 15 households was the smallest which could economically acquire a tractor (*Bednota*, April 26, 1928) — a low estimate.

² *Na Agrarnom Fronte*, No. 9, 1928, p. 8; No. 4, 1929, p. 8.

³ See *The Bolshevik Revolution, 1917-1923*, Vol. 2, p. 152.

⁴ *Pravda*, February 13, 1927, published an enthusiastic description of an agricultural commune founded by a group of poor peasants who denied themselves all but the barest necessities of life in order to equip their commune; such communes were sometimes founded by religious sects.

⁵ According to *Postroenie Fundamenta Sotsialisticheskoi Ekonomiki v SSSR* (1960), p. 290, the 5.5 per cent of workers still to be found in the membership of kolkhozy in 1925 had dwindled to 1.6 per cent in 1928.

⁶ Quoted in R. G. Wesson, *Soviet Communes* (1964), pp. 130-131.

⁷ *Istoriya Sovetskogo Krest'yanstva i Kolkhoznogo Stroitel'stva v SSSR* (1963), p. 122.

⁸ See report in Trotsky archives, T 1230.

communes.¹ Women in particular revolted against the communal mode of life.² At the fourth Union Congress of Soviets in April 1927, Kalinin observed that, of kolkhozy which had collapsed, 90 per cent had collapsed "for reasons of internal disagreement, for reasons of communal living", and that those who worked the land together should not live together.³ The *artel* predominated among producers of technical crops, where common marketing arrangements were especially important; thus in the White Russian and Uzbek SSRs, where flax and cotton respectively were the most important crops, the proportion of *artels* exceeded 80 per cent, but in the Central Black-Earth and North Caucasian grain-growing regions fell to 17.3 and 13.9 per cent.⁴

Of new kolkhozy formed in 1928 TOZy were said to have accounted for 77 per cent, bringing up the proportion of TOZy in all existing kolkhozy to more than 60 per cent.⁵ The TOZ represented the minimum element of collective enterprise of limited scope and for limited purposes. It was estimated that 8 per cent of members of communes, 30 per cent of members of *artels*, and 58 per cent of members of TOZy cultivated individual plots excluded from the area of common cultivation.⁶ In communes virtually all working animals and cows were held in common, in *artels* only 59.3 per cent of working animals and 34.5 per cent of cows, in TOZy 32.4 per cent of working animals and 5.1 per cent of cows.⁷ Even in the TOZy, however, 81.9 per cent of machines and 54.9 per cent of the sown land were worked collectively.⁸ In the TOZy, according to another writer, it was difficult "to combine the personal and the collective, to abolish differentiation and the obvious marks of material inequality";⁹ by encouraging "economic inequality" they attracted the *kulak*.¹⁰ A

¹ *Istoricheskii Arkhiv*, No. 1, January–February 1960, p. 53.

² K. Kindeev, *Kollektivnoe Zemledelie* (1927), p. 169; the hostility of women to the kolkhozy went back to a very early period (*Pravda*, June 1, 1919).

³ *SSSR : 4 S"ezd Sovetov* (1927), p. 420.

⁴ *Postroenie Fundamenta Sotsialisticheskoi Ekonomiki v SSSR* (1960), p. 291.

⁵ *Na Agrarnom Fronte*, No. 10, 1928, pp. 7-9; the figures here given for 1927 do not tally precisely with those in Table No. 9, p. 945 below.

⁶ A. Gaister, *Dostizheniya i Trudnosti Kolkhoznogo Stroitel'stva* (1929), p. 26.

⁷ *Puti Pod'ema i Sotsialisticheskoi Rekonstruktsii Sel'skogo Khozyaistva*, ed. M. Latsis and I. Litvinov (1929), pp. 63, 67.

⁸ *Ekonomicheskoe Obozrenie*, No. 7, 1929, p. 155.

⁹ *Bednota*, April 26, 1928.

¹⁰ *Bol'shevik*, No. 21, November 15, 1929, p. 53; the TOZy were said to

critic noted the complexity of the accounts which had to be kept in the TOZ for work done and for the use of machines ; it looked as if in the TOZ " people came together in order to torment one another with ' accounting ' ". The TOZy, on this view, were trying " to resolve an insoluble problem — to enjoy all the advantages of a collective economy while retaining an individual economy ".¹ The TOZ was not only the loosest form of cooperative farming ; it was also the least well equipped technically and least efficient. The average value of " means of production " (i.e. animals and implements) used by members of communes was nearly four times as great as for members of TOZy.² A majority of the TOZy at this time were candidly described as " organizations in which the characteristics of collective production are still feebly developed, and few material possibilities yet exist for the development of collective production ".³

Thirdly, the social composition and purpose of the kolkhozy, as of the agricultural cooperatives, were increasingly called in question by party critics. A long and sympathetic review published in the spring of 1927 of " the kolkhoz movement at a turning point " admitted the existence of " bogus kolkhozy " running on capitalist lines and employing hired labour, or serving as a cover for the maintenance of former landowners' estates. What were wanted, this account concluded, were kolkhozy " based on a bloc of poor and middle peasants " ; and " this we do not yet have on any significant scale ".⁴ The scandal of " bogus kolkhozy " was constantly denounced. In 1926-1927 30 per cent of kolkhozy in Smolensk province, 42 per cent in Orel province, and 52 per cent in one county in Samara province, were liquidated as bogus ; and elsewhere bogus kolkhozy were said to have accounted for 20 per cent of the total.⁵ Larin, a harsh but penetrating critic, alleged that, " of the whole commercial production of all kolkhozy, not less than one-quarter is in fact capitalist production masked in a bogus cooperative form ". One or more of the following criteria

enjoy the favour of the well-to-do middle peasant, while the poor peasant preferred the commune or the *artel* (*Materialy po Istorii SSSR*, vii (1959), 239-240).

¹ *Bol'shevik*, No. 1, January 15, 1929, pp. 39-40.

² *Puti Pod'ema i Sotsialisticheskoi Rekonstruktsii Sel'skogo Khozyaistva*, ed. M. Latsis and I. Litvinov (1929), p. 61.

³ *Ibid.* p. 77.

⁴ *Na Agrarnom Fronte*, No. 4, 1927, pp. 31-32.

⁵ *Ibid.* No. 5, 1928, p. 113.

were said to distinguish the bogus kolkhoz : (1) the work was done not by members of the kolkhoz, but by hired workers, (2) the members did not cultivate the land in common, but carried on individual farming under the guise of a kolkhoz, (3) the kolkhoz consisted exclusively of well-to-do peasants operating what was in practice a share company, and (4) commercial relations amounting to exploitation existed between members of the kolkhoz.¹ Cases occurred "in which relations of exploitation, formerly existing in the individual economy of members of a kolkhoz, are transferred to the kolkhoz itself, in which the kolkhoz as a whole appears in the character of an exploiter of hired labour, of a lessor of means of production to the surrounding peasants".² Another critic went so far as to assert that the formation of kolkhozy was "not a symptom of a revolutionary frame of mind directed to the destruction of contemporary forms of individual cultivation . . . but a quest for ways of maintaining this individual cultivation in different forms".³ It was not till 1928 that any substantial progress was made towards the development of large-scale kolkhozy of which it could be said that "the elements of a socialist economy are so strongly developed that they now stand near to the Sovkhozy — enterprises of a consistently socialist type".⁴

In spite of the unsatisfactory character of existing kolkhozy, a party bent on the collectivization of agriculture, but still shrinking from measures of compulsion, could not turn its back on institutions which represented, at any rate in name, the principle of voluntary collectivization. The technical advantages of the closer forms of collective cultivation did not, however, prevent the main

¹ Yu. Larin, *Chastnyi Kapital v SSSR* (1927), pp. 88-93 ; specific charges against the *kulaks* were that they utilized the kolkhozy in order to avail themselves of tax exemptions and to secure credit (*Na Agrarnom Fronte*, No. 5, 1928, pp. vi, 108), or that the proceeds of the kolkhoz were distributed not according to the number of eaters or workers, but according to land held or animals or seed supplied, so that the well-to-do peasant took the lion's share (*ibid.* No. 11, 1928, pp. 72-73).

² *Trudy Pervoi Vsesoyuznoi Konferentsii Agrarnikov-Marksistov*, i (1930), 308.

³ Cited from a book unfavourably reviewed in *Na Agrarnom Fronte*, No. 11-12, 1927, pp. 209-211, but said to be in its third edition.

⁴ *Trudy Pervoi Vseuznoi Konferentsii Agrarnikov-Marksistov*, i (1930), 150.

emphasis during this period from falling on the more popular TOZ. Ever since 1925 a lukewarm attitude to the kolkhozy as a whole had been accompanied by a preference for the "simplest" forms of cooperation. Both the party resolution of December 30, 1926, and the decree of March 16, 1927, significantly commended "the gradual collectivization of the peasant economy in the simplest forms most accessible to the broad peasant masses".¹ The agricultural cooperative "union of unions" and the Union kolkhoz council both gave encouragement to the TOZ.² The fifteenth party congress in December 1927 had little specific to say about the kolkhozy, except to record its formal approval of the resolution of December 30, 1926.³ Milyutin admitted that the significance of the kolkhozy was still "exemplary rather than economic".⁴ Nevertheless, the introduction into Molotov's theses on work in the countryside of a passage proclaiming "the unification and transformation of individual peasant holdings into large collectives" as "the *fundamental task* of the party in the countryside" pointed to their key position in the elaboration of future policy. A passage in the theses calling for support for agricultural communes, *artels* and TOZy (the term "kolkhoz" was avoided) was strengthened by the insertion of a phrase pointing out that they had "in many cases demonstrated their superiority to small peasant holdings".⁵ Early in 1928 the report on an investigation of kolkhozy by the Rabkrin of the RSFSR claimed for them a higher yield, and a higher productivity per individual worker, than in peasant holdings, and regarded them, in spite of their inadequate size and known defects, as a central factor in the socialist development of the countryside.⁶ They possessed proportionately more animals and machines than peasant holdings, and more of them had gone over to a multi-field rotation.⁷

¹ For the resolution and the decree see pp. 159-160 above.

² *Postroenie Fundamenta Sotsialisticheskoi Ekonomiki v SSSR* (1960), pp. 345-346.

³ *KPSS v Rezolyutsiyakh* (1954), ii, 484.

⁴ *Pyatnadtsatyi S"ezd VKP(B)*, ii (1962), 1332.

⁵ *KPSS v Rezolyutsiyakh* (1954), ii, 477-478; for the theses and these amendments see p. 43, note 3 above.

⁶ The report was discussed at a session of the collegium of Narkomzem reported in *Pravda*, April 5, 1928; for relative harvest yields see p. 180 below.

⁷ *Na Agrarnom Fronte*, No. 5, 1928, pp. 99-101. Official statistics showed that on January 1, 1928 86.3 per cent of the old communes had gone over to a multi-field rotation, 48.1 per cent of the old *artels* and 41.7 per cent of the old

Growing interest in the kolkhozy was manifested by an all-Russian congress of kolkhozy which opened on May 24, 1928, and was followed a week later by a Union congress.¹ In advance of the congresses *Pravda* chastised rural party members for their indifference to the kolkhozy; of all questions discussed by party cells in the countryside during the past year only 1·7 per cent related to the formation of kolkhozy.² At the all-Russian congress the president of Kolkhozttsentr drew attention to the wide variation in the contributions payable on entry into a kolkhoz, quoting figures which ranged from 5 rubles to 800 rubles. Where the share of the joint revenue paid out to the kolkhoz member was proportionate to the initial contribution, this — he aptly pointed out — assimilated the status of the kolkhoz to that of a commercial share company.³ At the more important Union congress, Kalinin made the opening speech, and Yakovlev, now president of the Union kolkhoz council, the main report, which was published in the press under the heading “*Kulak or Kolkhoz*”, and broached once again the theme of the alternative capitalist and socialist paths of development.

How to build socialism in the countryside [concluded Yakovlev]: *this is the way in which the kolkhozy are writing a new word and entering it in the record of mankind.*

But Yakovlev, in his reply to the debate, protested against the idea that it was the task of the kolkhozy to crush the small holder out of existence. It was the *kulak* who did this: the task of the kolkhozy was to unite the poorer peasants against the *kulak*.⁴ Theses published in advance of the congress, and apparently adopted by it without amendment, fixed the minimum member-

TOZy; for the newly formed kolkhozy the corresponding percentages were 66·7, 20·7 and 25·2 (*Materialy po Istorii SSSR*, vii (1959), 253). A year later 75 per cent of kolkhozy had gone over to a multi-field rotation (*Na Agrarnom Fronte*, No. 2, 1929, pp. 88-89).

¹ The Union congress had originally been announced for January 1928 (*Pravda*, October 12, 1927).

² *Ibid.* May 18, 1928.

³ This congress was reported in *Pravda* and *Bednota*, May 25, 26, 1928.

⁴ For Kalinin's speech see p. 266 below. Yakovlev's main speech was briefly reported in *Pravda*, June 3, 1928, and more fully in *Bednota*, June 19, 20, 21, 1928; for his second speech see *ibid.* June 27, 28, 1928. The records of the congress, published as *Kolkhozy: Pervyi Vsesoyuznyi S'ezd Sel'skokhozyaistvennykh Kollektivov*, have not been available. For an earlier kolkhoz conference of 1925 see *Socialism in One Country, 1924-1926*, Vol. 1, p. 220.

ship of a kolkhoz at 10 households, and recommended the formation of groups (*kusty*) of kolkhozy for joint cultivation of the soil. Many of the proposals clearly contemplated kolkhozy operating on a large scale. The congress recommended the distribution of the labour force of a kolkhoz in accordance with plans laid down by the council, the specialization of members of the kolkhoz in special forms of work, and the appointment of managers to direct the work of different sections. It rejected both the system of equal distribution of revenues to all members of the kolkhoz and the system of distribution based on payments or contributions made to the kolkhoz. The principle of "the material interestedness of members in the development of the collective economy" must be maintained; labour should be remunerated according to its quantity and quality.¹ The congress also replaced Yakovlev by Molotov as president of the Union kolkhoz council.²

The growing numbers and prestige of the kolkhozy revived the dormant question of their relation to the agricultural cooperatives. The decree of March 16, 1927,³ proved ineffective. According to a party report of the autumn of 1927, a substantial proportion of the communes, up to 50 per cent of the *artels*, and up to 90 per cent of other "producer unions" (i.e. TOZy, machine societies etc.) had no links with the agricultural cooperative network.⁴ Communes were said to receive a fleeting annual visit from a representative of the cooperatives, *artels* and TOZy more rarely.⁵ But, while the two systems, and the policies which they represented, remained basically different, the line of demarcation between them was still blurred and uncertain. When the fifteenth party congress condemned the opposition for wishing to withdraw funds from the cooperatives for the benefit of the Sovkhozy and kolkhozy,⁶

¹ *Pravda*, May 6, June 14, 1928; *Postroenie Fundamenta Sotsialisticheskoi Ekonomiki v SSSR* (1960), pp. 363, 366.

² *Problemy Istochnikovedeniya*, iv (1955), 82-83.

³ See pp. 159-160 above.

⁴ *Izvestiya Tsentral'nogo Komiteta VKP(B)*, No. 39(212), October 22, 1927, p. 1. In 1928 only 27 per cent of communes, 11.7 per cent of *artels* and 2.5 per cent of TOZy were registered as agricultural cooperatives (*Puti Pod'ema i Sotsialisticheskoi Rekonstruktsii Sel'skogo Khozyaistva*, ed. M. Latsis and I. Litvinov (1929), p. 79); this suggests that few of the new kolkhozy created in 1928 were registered.

⁵ K. Kindeev, *Kollektivnye Khozyaistva* (1927), p. 161.

⁶ For this resolution see p. 151 above and p. 923 below.

this seemed a reversion to the view of kolkhozy and cooperatives as distinct and opposed forms of organization. But another passage of the same resolution appeared to treat the kolkhozy as equivalent to agricultural producer cooperatives.¹ Early in 1928 a movement was on foot to treat the kolkhozy as independent cooperatives and to bring them within the central cooperative organization.² Kolkhozy did not as a rule market any large proportion of their output through the agricultural cooperatives,³ and did not belong to the "specialized" agricultural cooperative organizations such as Plodovinsoyuz, Kartofel'soyuz etc.⁴

The rapid expansion of the kolkhozy and the development of their own organization at the all-Russian and Union congresses of May and June 1928 sufficed to block any formal step to subject them to cooperative discipline. But Stalin tried to pour oil on the waters by criticizing those who "oppose the kolkhoz movement to the cooperative movement", as if the two were different things, and who contrasted the kolkhoz movement with Lenin's cooperative plan; "in fact, the kolkhozy are a type of cooperatives, the most pronounced type of producer cooperatives".⁵ The hint was quickly taken. Rykov, addressing the conference of consumer cooperatives in July 1928, referred to the kolkhozy as "producer cooperatives".⁶ In the Gosplan control figures for 1928-1929, the kolkhozy, though they had a section of their own in the chapter on agriculture, were also included in the chapter on the cooperatives under the rubric "cooperative processes of production";⁷ and the first five-year plan spoke of the work of "tech-

¹ *KPSS v Rezolyutsiyakh* (1954), ii, 484; a typical instance of this confusion occurs in G. Ratner, *Agricultural Cooperation in the Soviet Union* (1929), pp. 57-58, where the TOZy are omitted from a list of types of producer cooperatives, but are subsequently described as "cooperatives for the communal working of the soil". An article of January 1928 included the kolkhozy in "the producer-marketing systems of the agricultural cooperatives" (*Na Agrarnom Fronte*, No. 1, 1928, p. 73). The practical link between the two organizations was illustrated by a party resolution of March 26, 1928, to establish one-year courses for the training of workers in the cooperatives and of "leaders of kolkhozy" (*Izvestiya Tsentral'nogo Komiteta VKP(B)*, No. 11(232), April 4, 1928, pp. 4-5).

² *Bednota*, January 12, 1928.

³ *Na Agrarnom Fronte*, No. 5, 1928, p. 112. The dairy products of Siberian kolkhozy were an exception; 75 per cent of these were marketed through the cooperatives. ⁴ For these see p. 145 above. ⁵ Stalin, *Sochineniya*, xi, 90.

⁶ *XLI Sobranie Upolnomochennykh Tsentrosyuzza* (1928), p. 279.

⁷ *Kontrol'nye Tsifry Narodnogo Khozyaystva SSSR na 1928-1929 god* (1929), p. 121; cf. the classification *ibid.* p. 101.

nical and social reconstruction" undertaken by "the agricultural cooperatives (including in the cooperative movement also the kolkhoz movement)".¹ A Gosplan spokesman estimated that in 1928 37.5 per cent of rural households belonged to agricultural cooperatives (including kolkhozy), and that by the end of the first five-year plan the proportion might rise to 85 per cent.² Statistics began to appear in which the kolkhozy were included with the agricultural cooperatives.³ It was, however, the kolkhozy and their organization which beyond doubt now played the predominant rôle. The balance which in 1925 had been tilted in favour of the cooperatives had shifted to the other side. Stalin at the session of the party central committee in April 1929 observed that the cooperatives, and especially the agricultural cooperatives, had "created a psychological basis among the peasants in favour of the kolkhozy".⁴ Vladimirsky, who had replaced Kaminsky as president of the "union of unions" of agricultural cooperatives, spoke at the sixteenth party conference a few days later of "the genetic link between the kolkhoz movement and the cooperative movement", and thought that the growth of the former depended on the growth of the latter. But even he referred to the kolkhozy as "the highest forms of producer cooperatives".⁵ The conclusion was not so much that the kolkhozy had been incorporated in the agricultural cooperatives as that the latter had been recognized as embryonic kolkhozy. And this reflected a change of policy. The long-standing issue of relations between agricultural cooperatives and kolkhozy was settled once for all by the emergence of the kolkhozy as the main spearhead of the campaign for collectivization.

The mere proliferation of small kolkhozy, which was the initial stage of their revival, did little to satisfy the movement for large-scale cultivation set on foot by the fifteenth party congress in December 1927. An article by Karpinsky, one of the kolkhoz leaders, published in *Izvestiya* at the time of the kolkhoz congresses

¹ *Pyatiletnii Plan Narodno-Khozyaistvennogo Stroitel'stva SSSR* (1929), ii i, 315.

² *Planovoe Khozyaistvo*, No. 3, 1929, p. 101.

³ See, for example, *Ekonomicheskoe Obozrenie*, No. 12, 1928, pp. 129-130.

⁴ Stalin, *Sochineniya*, xii, 67.

⁵ *Shestnadsataya Konferentsiya VKP(B)* (1962), p. 237.

of May and June 1928, took the line that the extensive development of kolkhozy (occupation of fresh land) was now exhausted ; future advances must be by intensification (mechanization, tractors, etc.). This led to the corollary that " the development of intensive mechanized farming is possible for the peasant in Soviet conditions only *in the form of kolkhozy* ".¹ The party central committee at its session of July 1928 referred to the " large-scale collectives " commended by the fifteenth congress as " voluntary unions constructed on the basis of modern technique, and representing the highest form of grain-farming, both in the sense of a socialist transformation of agriculture and in the sense of a guarantee of a radical increase in its productivity and marketability ".² A speaker at the TsIK of the USSR in December 1928 hailed " the very strong mass movement towards collectivization through the formation of kolkhozy " as the answer of poor and middle peasants to *kulak* attempts to monopolize the land.³ The " general principles " adopted at the session referred to the kolkhozy as " the only way in which all peasants can truly ameliorate their conditions of life and work ".⁴

The first and most obvious way to achieve greater efficiency was to combine small existing kolkhozy into " groups ",⁵ though it was admitted that these groups were at first few in number and their work was " weak ".⁶ On June 1, 1929, 1213 groups had been formed, embracing 14·8 per cent of all kolkhozy, 14·2 per cent of kolkhoz households and 16·2 per cent of all land held by kolkhozy.⁷ But the character of the group varied widely, being sometimes an

¹ *Izvestiya*, June 1, 1928.

² *KPSS v Rezolyutsiyakh* (1954), ii, 513.

³ *4 Sessiya Tsentral'nogo Ispolnitel'nogo Komiteta Soyuza SSR 4 Sozyva* (1928), No. 17, p. 31. ⁴ For the general principles see p. 108 above.

⁵ For examples of this process see *Materialy po Istorii SSSR*, vii (1959), 236 ; *Na Agrarnom Fronte*, No. 2, 1929, pp. 80-82 ; *Ekonomicheskoe Obozrenie*, No. 6, 1929, p. viii. According to unpublished archive material, the first groups of kolkhozy were formed in the North Caucasian region in 1926 ; down to the middle of 1928 they were confined to the RSFSR, but later spread to the Ukraine and White Russia. Eventually they " served as a foundation for the creation of MTS " (*Problemy Istchnikovedeniya*, iv (1955), 83-84). A recommendation to form groups had been included in the resolution of the Union kolkhoz congress of June 1928 (see p. 169 above).

⁶ *Puti Pod'ema i Sotsialisticheskoi Rekonstruktsii Sel'skogo Khozyaistva*, ed. M. Latsis and I. Litvinov (1929), p. 80 ; groups of 5 or 6 kolkhozy in Moscow province were reported in *Bednota*, January 1, 1928.

⁷ *Kolkhozy SSSR : Statisticheskii Spravochnik* (1929), p. 31, Table 12.

arrangement for joint cultivation in different degrees, and sometimes merely for the joint services of an agronomist.¹ The fifth Union Congress of Soviets in April 1929 passed a resolution in favour of "the enlargement of the old kolkhozy".² The eccentric Narkomfin official Shanin, going from one extreme to the other, published an article in the party journal in which he advocated the cessation of all aid to small kolkhozy and to individual holdings, and exclusive concentration on the MTS, but was rebuked editorially for preaching the liquidation of "the mass kolkhoz movement".³

The main campaign was, however, now directed to the establishment of large-scale kolkhozy on virgin land — evidently in imitation of the giant Sovkhozy — equipped with tractors and embracing whole villages. The transition to large-scale kolkhozy was facilitated by a shift in geographical location. Of the older kolkhozy in the RSFSR, 72 per cent were said to have been in the northern and north-western regions, where most of the large landowners' estates had formerly been situated. Of those created in 1928, 76 per cent were to be found in the south and the south-east, notably in the North Caucasian region, which was particularly suitable for large-scale cultivation.⁴ In the North Caucasian region the number of kolkhozy increased by 152 per cent in the first five months of 1928, and in the Ural region by 335 per cent.⁵

¹ *Na Agrarnom Fronte*, No. 10, 1929, pp. 46-47; according to this source one-quarter of all kolkhozy in the summer of 1929 were organized in groups.

² *S"ezdy Sovetov v Dokumentakh*, iii (1960), 165.

³ *Bol'shevik*, No. 9-10, May 31, 1929, pp. 38-56; for Shanin see *Socialism in One Country, 1924-1926*, Vol. 1, p. 316, note 3.

⁴ *Postroenie Fundamenta Sotsialisticheskoi Ekonomiki v SSSR* (1960), pp. 288-289. The North Caucasian region, the Volga regions, western Siberia and part of the Crimea, belonged to the zone of insufficient rainfall where intensive cultivation was impracticable: hence their suitability for large highly mechanized units (*Na Agrarnom Fronte*, No. 6-7, 1928, p. 49).

⁵ *Puti Pod'ema i Sotsialisticheskoi Rekonstruktsii Sel'skogo Khozyaistva*, ed. M. Latsis and I. Litvinov (1929), p. 57; according to statistics in *Sel'skoe Khozyaistvo SSSR, 1935* (1936), pp. 63-64, the largest increases between 1927 and 1929 were in the North Caucasian region and in the Ukraine; in July 1928 18 per cent of all kolkhozy in the RSFSR were in the North Caucasian region (*Shestnadtsataya Konferentsiya VKP(B)* (1962), p. 133). A map in A. Gaister, *Dostizheniya i Trudnosti Kolkhoznogo Stroitel'stva* (1929), p. 11, shows the North Caucasian and Lower Volga regions as the only regions in which kolkhozy covered more than 1.5 per cent of the area occupied by individual households; next came the Ukraine and the Ural region. For an account of a kolkhoz in the

Regions with large reserves of virgin land were especially suitable for experiments in large-scale farming. The council of Kolkhozsentr at the end of 1928 planned to create large-scale kolkhozy of a total area of 775,000 hectares, of which 300,000 would be located in the North Caucasian region and 150,000 in Siberia.¹ Early in January 1929 a decree of Sovnarkom (which also set a target for Sovkhozy) set a target of 3,900,000 hectares of sown land to be attained by the kolkhozy in 1929.² By the middle of 1929, 171 new large-scale kolkhozy could be listed in the RSFSR, ranging from comparatively modest farms of 2000 hectares to the Stepnoi Gigant of 20,000 hectares in Kazakhstan and the Elansky kolkhoz of 80,000 hectares in the Irbit department of the Ural region.³ The preference accorded in the past to the loosely organized TOZ was now revised; and the sixteenth party conference in April 1929 recommended measures to assist the transformation of the TOZy "into the higher forms of the collective movement (*artels*, communes)".⁴ But this rapid advance evidently aroused scepticism in some quarters. According to one later account, Kolkhozsentr and its local organs "were obsessed by large-scale kolkhozy, violated the instructions of the central committee for the formation of model large kolkhozy of from 2000 to 5000 hectares, and began

Salsk department of the North Caucasian region see *Pravda*, May 1, 1929. Originally founded as a commune in 1922 by 77 American immigrants, it now had 270 members (American, Finnish and locally recruited); in 1922 it had cultivated 380 hectares with 3 tractors and 4 horses; in 1929 it cultivated 3080 hectares with 21 tractors and 13 horses, and exceeded in productivity the famous Campbell farm in Montana. This was presumably one of the units in a large kolkhoz said to have been founded in January 1929 in the Salsk department under the name "Precepts of Ilich" by combining six existing communes (*Ekonomicheskoe Obozrenie*, No. 6, 1929, pp. 10-11).

¹ *Materialy po Istorii SSSR*, vii (1959), 220-221; by July 1, 1929, the whole plan had been overfulfilled (though only half the planned total had been realized in the North Caucasian region).

² *Sobranie Zakonov*, 1929, No. 4, art. 33; for the part of this decree relating to the Sovkhozy see p. 194 below.

³ *Na Agrarnom Fronte*, No. 7, 1929, p. 24. *Kolkhozy SSSR: Statisticheskii Spravochnik* (1929), p. 29, Table 11, gives a total of 207 large-scale kolkhozy on June 1, 1929, 147 in the RSFSR, 52 in the Ukraine and 8 in White Russia; the same source lists by name and locality 173 large-scale kolkhozy in the RSFSR on October 1, 1929 (*ibid.* pp. 63-75, Table 28), but omits the largest examples — perhaps because they were not yet operative. It is difficult to guess how many of these projects materialized.

⁴ *KPSS v Rezolyutsiyakh* (1954), ii, 587.

to found giant kolkhozy with an area of 15,000-20,000 hectares ", though the material basis for such experiments was lacking.¹

Evidence about the social character and implications of the new kolkhozy varied, and the situation was probably not uniform.² Party stalwarts continued to dream of making the kolkhozy a bulwark of the poor peasant against the *kulak*; and it seems clear that the predominant attitude of the *kulaks* to the kolkhozy was one of hostility. The campaign to create new kolkhozy was said in many places to have been bitterly resisted by well-to-do peasants, who both bribed and threatened poor peasants in order to keep them out of the kolkhozy. It was common talk in the countryside that the aim of the kolkhozy was " to put the peasants on rations and seize all the surplus ", that everyone would be made to live in barracks, and that " the commissar with a whip " had taken the place of the old landowner. " Formerly in the days of the landowners you worked for the Tsar and the gentry, now in the collective you work for the Soviet Government whose *batraks* you are." Propaganda against the kolkhozy was said to be particularly effective among the women.³ Rumours went about that those who entered the kolkhoz would have their throats cut; women were told that they would have to stand in queues for bread. Cases of arson and of the slaughter of animals were common.⁴ The well-to-do peasant was said to have resisted the granting of credits to

¹ *Materialy po Istorii SSSR*, vii (1959), 208; an article in *Voprosy Istorii*, No. 3, 1965, p. 4, also speaks of " gigantomania " in the formation of kolkhozy at this time.

² In June 1929 members of kolkhozy were classified as follows: poor peasants and *batraks*, 56.4 per cent; middle peasants, 38.5 per cent; well-to-do peasants, 3.3 per cent; *kulaks*, 1.8 per cent. More significant was perhaps the classification by number of horses owned: no horse, 11.2 per cent; one horse, 45.4 per cent; 2-3 horses, 42.5 per cent; more than 3 horses, 0.9 per cent (*Ekonomicheskoe Obozrenie*, No. 6, 1929, p. 8).

³ *Na Agrarnom Fronte*, No. 11, 1928, pp. 67-68; for the attitude of women to kolkhozy see p. 164 above.

⁴ *Materialy po Istorii SSSR*, vii (1959), 242. The official report from which these details are taken quoted (*ibid.* vii, 245) a picturesque letter from a village in the Urals: " It is said that anti-Christ has come to earth, and the end of the world is at hand. Some women (suspected of being former nuns) took an old man into a wood, gave him a gospel, and told him that this book would always save him wherever he was, only first he must absolutely come out of the kolkhoz, otherwise the book would not work "; the letter also gave a graphic account of the burning down of houses of those who entered the kolkhoz. For samples of propaganda against the kolkhozy, and charges of " *kulak* terror ", including murder and arson, see *Na Agrarnom Fronte*, No. 10, 1929, pp. 69-71.

kolkhozy on the plea that they were squandered, and advocated the liquidation of kolkhozy and Sovkhozy and the distribution of their land to the peasants.¹

Hostility to the kolkhozy need not, however, be attributed exclusively to *kulak* inspiration. To every peasant incorporation in a kolkhoz was apt to mean, first and foremost, the loss of his own plot of land and enforced dependence on an alien and unfamiliar power.² If some kolkhozy had been a refuge for poor peasants and *batraks*, others became a rallying-point for middle and well-to-do peasants.³ After 1927 the main preoccupation behind the movement was no longer the social composition of the kolkhozy, but a practical desire to increase production. Stalin in May 1928 pronounced it a heresy to suppose that kolkhozy should be composed solely of poor peasants. Kolkhozy should be "poor and middle peasant units embracing not only individual groups and groupings, but whole villages". What was needed was to make it possible for the middle peasant "to develop his economy best and most rapidly through the kolkhozy".⁴ In the North Caucasian region, the middle peasants were significantly said to be drawn to large kolkhozy possessing tractors.⁵ Among the motives which sometimes attracted well-to-do peasants to the kolkhozy were avoidance of taxation and desire to obtain an allocation of the best land.⁶ Some "practical workers" wanted — no doubt, in the interests of efficiency — to organize "only well-to-do kolkhozy, only *kulak* kolkhozy".⁷ Kolkhozy thus occupied an equivocal place in the scheme of socialist development. Rykov at the session of the party central committee in April 1929 claimed that the state stood in the same market relation to the kolkhoz as to the individual peasant; this was held to contradict the socialist

¹ A. Angarov, *Klassovaya Bor'ba v Sovetskoi Dereвне* (1929), pp. 24-25, quoting provincial press reports.

² *SSSR*,: 5 *S"ezd Sovetov* (1929), No. 19, p. 3; *Na Agrarnom Fronte*, No. 2, 1929, p. 73.

³ *Ibid.* No. 10, 1929, p. 46.

⁴ Stalin, *Sochineniya*, xi, 41.

⁵ *Shestnadsataya Konferentsiya VKP(B)* (1962), p. 362; the middle peasant joined the kolkhoz "only when the kolkhoz surpasses his individual holding in technical power" (*Bednota*, December 20, 1928).

⁶ *Bol'shevik*, No. 22, November 30, 1929.

⁷ *Shestnadsataya Konferentsiya VKP(B)* (1962), p. 370; the reference may be to a proposal of Oganovsky to attract new settlers to the eastern regions, including Kazakhstan, by offering them holdings of 40 desyatins or more (*Ekonomicheskaya Zhizn'*, January 13, 1928).

character of the kolkhozy.¹ Official attitudes to the poor peasant were said to be much the same as those of the *kulak*; "We will organize you in the collective, and then we will help you".² In these circumstances it was not surprising if the *kulak* sometimes "slips into the kolkhoz and tries to adapt it to his exploiting ambitions" — the old story of "bogus kolkhozy"; this was particularly liable to happen in small kolkhozy.³ The proportion of well-to-do peasants was, for obvious reasons, always higher in the administrative organs of the kolkhozy than in the membership.⁴

The issue crystallized round the vexed question whether the *kulak* should, or should not, be admitted to kolkhozy. As early as March 1927 a Siberian regional party conference argued that it would be dangerous to admit even "strong middle (rich) peasant households" to the kolkhozy;⁵ for, even if well-to-do peasants were in principle opposed to the formation of kolkhozy, their interest in securing admission to the kolkhoz, once constituted, frequently gained the upper hand. Poor peasants were often against the exclusion of *kulaks* from the kolkhoz, where their animals and implements were needed.⁶ This was a clear instance of underlying solidarity between well-to-do and poor peasant which party and government were never entirely able to break. When the issue came into the open at the sixteenth party conference in April 1929, party opinion was shown to be sharply divided.⁷ On the eve of the conference, Bauman in an article in *Pravda* argued that under collectivization "the *kulak* must either submit

¹ *Shestnadsataya Konferentsiya VKP(B)* (1962), p. 812, note 266; the Gosplan control figures for 1928–1929 noted, however, that kolkhozy, "in the matter of the acquisition of industrial goods, are subject to the same market conditions as the peasant population" (*Kontrol'nye Tsifry Narodnogo Khoz-yaistva SSSR na 1928–1929 god* (1929), p. 307).

² *Bednota*, October 31, 1928.

³ *Na Agrarnom Fronte*, No. 8, 1929, p. 62; for a description of the way in which *kulaks* or well-to-do peasants would form kolkhozy or machine societies in order to acquire tractors or other machines, and dissolve them when this purpose had been achieved, see *ibid.* No. 11, 1928, pp. 70–71.

⁴ For examples see *ibid.* No. 10, 1929, pp. 75, 113.

⁵ G. Cleinow, *Neu-Siberien* (1928), pp. 270–273; for this conference see p. 24 above.

⁶ *Materialy po Istorii SSSR*, vii (1959), 243.

⁷ Kubyak said at the conference that the question had arisen "quite unexpectedly" (*Shestnadsataya Konferentsiya VKP(B)* (1962), p. 420); it was evidently something of an embarrassment to the authorities. Cases were quoted of opposite attitudes adopted by different party authorities in the same department of the Middle Volga region (*ibid.* p. 397).

to the newly established rules of the tractor column, or he will be thrust aside and compelled to leave the land community in question";¹ and, while the conference was in session, an article appeared in the agricultural newspaper, *Sel'skokhozyaistvennaya Gazeta*, proposing to exclude *kulaks* from the kolkhozy.² Kalinin, in his report on the advance of agriculture, treated this view as a *reductio ad absurdum* of the argument for collectivization. The struggle against the *kulak* must be conducted within the kolkhoz :

If you separate his land, if you leave him on his own land, this means not to struggle and to conquer, but to cultivate and conserve the *kulaks* for all time.³

Other speakers were less easily satisfied. Lominadze wished to stiffen Kalinin's draft theses by inserting a long rhetorical denunciation of the *kulaks*. But on the crucial question of their admission to the kolkhozy he hedged in a way which led Stalin, in an impatient interjection, to accuse him of "fantastic shilly-shallying".⁴ Syrtsov, president of the Sovnarkom of the RSFSR, who cogently analysed the fundamental incompatibility of the new policy with *kulak* interests, exclaimed that, "until the class backbone of *kulak* resistance is broken", to admit the *kulak* to the kolkhozy would be like "letting a goat into the vegetable plot", and that he should be admitted only if he handed over to the kolkhoz all the means of production at his disposal. In the factories, said another speaker, the party was strong enough to restrain "alien elements"; but, "if the *kulak* enters the kolkhoz, he rules the kolkhoz".⁵ As the debate went on, the tone grew sharper. But only Shatskin, a member of the party central control commission who had formerly worked in the Komsomol and in KIM, explicitly attacked Kalinin for his mildness to the *kulak*; and even he did not directly raise the issue of forced "dekulakization":

Either admit the *kulak* [to the collective] without dekulakization — that means to strengthen enormously the elements of

¹ *Pravda*, April 16, 1929.

² *Shestnadtsataya Konferentsiya VKP(B)* (1962), p. 800, note 194.

³ *Ibid.* p. 296; another delegate repeated the argument that to exclude the *kulaks* from the kolkhozy meant "to hive off *kulak* households into *otrubs*, and thus create nests of capitalism in the countryside, and perpetuate the *kulak* for ever and ever" (*ibid.* p. 368).

⁴ *Ibid.* pp. 311-319; this seems to have been Stalin's sole recorded utterance at the conference.

⁵ *Ibid.* pp. 325, 338-339.

unequal ownership, to strengthen enormously the possibilities of collapse, of capitalist degeneration. . . . Or admit the *kulak* who dekulakizes himself. But can we now entertain the illusion that *kulaks* on any considerable scale will go in for self-dekulakization ?¹

The issue, though at first sight subsidiary, was crucial ; but the conference shelved it. The relation of the *kulak* to the kolkhozy presented an insoluble problem. The logical implication of the exclusion of the *kulak* from the kolkhozy could only be his total elimination from a collectivized agriculture. Yet this conclusion remained unformulated ; and even the most ardent collectivizers would at this time have shrunk from it. As a commentator in the party journal ironically observed :

We have heard no proposals to drive the *kulak* off the land, or to send him packing to desert frontier regions or to an uninhabited island.

In default of such measures, " to keep the *kulaks* out of the kolkhozy means to restrict the opportunities of combating them ".² The party moved towards the final decision to collectivize speaking with a divided voice on its attitude to the *kulak* in the kolkhoz.³

Ample, though sometimes divergent, statistics illustrated the phenomenal growth in the number of kolkhozy after 1928 ; and, whereas the increase in 1927-1928 had been accompanied by a decrease in average size, the kolkhozy thereafter multiplied rapidly both in number and in size. Between October 1, 1928, and June 1, 1929, the number of kolkhozy increased by more than one-half, and the number of households and individuals belonging to them almost doubled ; in 1928-1929 the area of kolkhozy under crops increased two-and-a-half times, and marketed production three-and-a-half times.⁴ On October 1, 1928, 2·3 per cent of all households in the USSR were incorporated in kolkhozy, a year later 4·1 per

¹ *Ibid.* p. 412.

² *Bol'shevik*, No. 11, June 18, 1929, p. 34 ; the article was published as a " discussion article " without editorial responsibility.

³ It was not till December 1929 that Stalin finally pronounced : " Of course he cannot be admitted to the kolkhoz " (Stalin, *Sochineniya*, xii, 170) ; this became the signal for the liquidation of the *kulaks* as a class.

⁴ See Table No. 9, p. 944 below ; the average number of households per kolkhoz rose from 12·5 in 1928 (see p. 162, note 1 above) to 17·7 in 1929 and 69·8

cent. The proportions varied in different regions. Of 4,814,765 peasants collectivized by June 1, 1929, 2,961,300 were in the RSFSR and 1,537,236 in the Ukraine; the numbers in other republics were small. In the RSFSR the highest proportions were 19 per cent in the Crimea and 12 per cent in the North Caucasian region, the lowest 1.4 per cent in the Leningrad and western regions.¹

It became customary at this time to bracket Sovkhozy and kolkhozy under the rubric of the "socialized sector" of agriculture and to illustrate their superiority to independent peasant holdings. Statistics of land under grain crops demonstrated their growth:

	Area under Grain Crops (in thousand hectares)	Percentage occupied by		
		Sovkhozy	Kolkhozy	Peasant Households
1927	112,400	1.4	0.7	97.9
1928	112,959	1.6	1.2	97.2
1929	118,034	1.9	3.5	94.6 ²

Not only was more land being collectively cultivated, but collective cultivation was beginning to produce higher yields of grain:

	Total Yield	Sovkhozy	Kolkhozy	Peasant Households
		(in millions of tons)		
1928	73.3	1.1	0.9	71.3
1929	71.7	1.3	2.7	67.7 ³

in 1930 (*Sdviigi v Sel'skom Khozyaistve SSSR* (2nd ed. 1931), p. 36. For divergent Narkomzem and Kolkhoztcent estimates of sown area in the kolkhozy of the RSFSR (in thousands of hectares) in 1928 (969.7 and 1305.9 respectively) and in 1929 (3007.8 and 3042.0) see *Na Agrarnom Fronte*, No. 7, 1929, p. 24).

¹ *Kolkhozy SSSR: Statisticheskii Spravochnik* (1929), pp. 5, 17, 19, Tables 1, 5 and 6.

² *Sdviigi v Sel'skom Khozyaistve SSSR* (2nd ed. 1931), p. 139.

³ *Ibid.* p. 200. Communes returned harvest yields of wheat and rye of up to 40 per cent, *artels* of up to 30 per cent, and Sovkhozy of from 20 to 90 per cent, in excess of those on individual peasant holdings (*ibid.* pp. 141, 154); but according to *Kontrol'nye Tsifry Narodnogo Khozyaistva SSSR na 1928-1929 god* (1929), p. 237, yields from the Sovkhozy were only 10 per cent above yields from peasant holdings.

Kolkhozy in particular were of many different types, and the counter-claim that kolkhozy lacked the individual incentives which stimulated production on peasant holdings was also heard.¹ But enough facts were available to justify the view that, generally speaking, the largest yields came from large-scale Sovkhozy and kolkhozy. A more significant criterion was provided by the figures of marketed production. It was not only, as Stalin said in May 1928, that the Sovkhozy and kolkhozy marketed a far higher percentage of their production than other forms of holdings; the contribution of the socialized sector to the total of marketed production was steadily increasing.² Stalin had already claimed in May 1928 that the Sovkhozy and kolkhozy were destined to replace the old landlords in the rôle of purveyors of grain to the market;³ and the authors of the five-year plan estimated that, at the end of five years, even under the "basic variant" of the plan, the Sovkhozy and kolkhozy would be responsible for 39 per cent of the marketable grain — a proportion approximately equal to that provided in 1927-1928 by the 10 per cent of well-to-do peasants.⁴ These modest prognostications seemed, in the spring and summer of 1929, well on the way to fulfilment; and a mood of determined optimism prevailed in all that related to the kolkhozy. It was difficult for the directors of policy in Moscow to believe that the peasants as a whole were hostile to something so rational, so conducive to efficiency, and so essential to the whole conception of Soviet policy, as the extension of large-scale agriculture. Where opposition declared itself, it was confidently attributed to the selfish ambitions of *kulaks*; and it was just as confidently assumed that this opposition could be crushed by mobilizing against it the masses of poor and middle peasants, the victims and natural enemies of the *kulak*.

¹ Syrtsov alleged that "the quality of work in kolkhozy, and often in large-scale kolkhozy, is inferior to that in peasant holdings", and that time was required for "new incentives" to take root (*Pravda*, July 7, 1929; *Bednota*, July 7, 9, 1929).

² See Table No. 6, p. 942 below; for Stalin's figures see p. 73 above.

³ Stalin, *Sochineniya*, xi, 85.

⁴ *Pyatiletnii Plan Narodno-Khozyaistvennogo Stroitel'stva SSSR* (1929), ii, i, 283.

CHAPTER 7

SOVKHOZY

OF various forms of collective cultivation, the Sovkhozy were the one which accorded most with strict party doctrine and least with the practical conditions of the Russian countryside under NEP. The Sovkhozy were under more or less direct state ownership, used state capital, and were run as industrial establishments employing wage labour. But the term was used to cover enterprises of many different kinds. In the RSFSR the main body of Sovkhozy engaged in grain cultivation and animal husbandry was grouped into local agricultural trusts (Sel'trests) under the management of a central organ named Gossel'sindikat; central Ukrainian and White Russian Sovkhoz administrations (Ukrsovkhozob"edinenie and Belosel'trest) functioned in the Ukraine and in White Russia in a similar capacity. In the Ukraine and in the adjoining regions of the RSFSR a large number of Sovkhozy given over to the cultivation of sugar-beet were under the administration of a Union Sugar Trust;¹ and specialized Union trusts existed of Sovkhozy concerned with sheep-rearing (Ovtsevod), cattle-breeding (Skotovod), poultry (Ptitsovod), tobacco (Soyuztabak), alcohol (Spirtotrest) and so forth.² Sovkhozy maintained by state institutions and industrial enterprises to feed their workers and employees still existed in the late nineteen-twenties.³ Figures for 1926-1927 showed that, out of 3.2 million desyatins occupied by Sovkhozy, rather more than a

¹ For an account of these see *Na Agrarnom Fronte*, No. 5-6, 1926, pp. 111-118; for the Sugar Trust see also p. 219 below.

² *Sdvigi v Sel'skom Khozyaistve SSSR* (2nd ed. 1931), p. 20, lists 35 trusts or unions comprising 1949 Sovkhozy; according to *Puti Pod"ema i Sotsialisticheskoi Rekonstruktsii Sel'skogo Khozyaistva*, ed. M. Latsis and I. Litvinov (1929), p. 272, Sovkhozy belonging to Ovtsevod had a million merino sheep and other Sovkhozy 15,000.

³ *Trud v SSSR* (1935), p. 256; for the origins of this system see *The Bolshevik Revolution, 1917-1923*, Vol. 2, pp. 155-156.

million each were occupied by Sovkhozy belonging to Gossel'-sindikats and to the Sugar Trust respectively ; the remainder fell into many different categories, some being attached to state institutions, some to local organs, others operated by cooperatives or collectives of various kinds.¹ Workers on the Sovkhozy had their own plots of land and their own animals ; statistics for 1927 and 1928 appear to show that even in Sovkhozy only one-third of the horses, one-quarter of the cattle and one-fifth of the cows were held collectively.² In 1928 more than half of all Sovkhozy ran industrial establishments of some kind — mills, smithies, butter-making or starch-making establishments, or electricity-generating stations.³ A Sovkhoz in the neighbourhood of Moscow ran a distillery, a mill, a butter-making unit, a milk-drying plant and a power station : this was clearly an industrial establishment working for an urban market.

In spite of occasional official pronouncements, the attitude to the Sovkhozy, ever since the introduction of NEP, and especially in the period of " the wager on the *kulak* ", had been one of mistrust and neglect.⁵ The mistrust was not unfounded : most of the Sovkhozy lacked both experienced farm workers and qualified managers or technical advisers. Some improvement was registered in 1925-1926 by abandoning the most unprofitable Sovkhozy and

¹ *Na Agrarnom Fronte*, No. 11-12, 1927, p. 96. Statistics of Sovkhozy at this period are confused and contradictory. Some appear to relate to all Sovkhozy, others only to those organized in the trusts ; the area quoted is sometimes total area, and sometimes area under cultivation. A sharp decrease in the number of Sovkhozy between 1924 and 1926, though not in the area under cultivation, is shown in *Itogi Desyatiletia Sovetskoi Vlasti v Tsifrakh, 1917-1927* (n.d. [1927]), p. 164. According to a table in *Puti Pod'ema i Sotsialisticheskoi Rekonstruktsii Sel'skogo Khozyaistva* (1929), ed. M. Latsis and I. Litvinov, p. 25, the number of " trustified " Sovkhozy increased from 2318 in 1926 to 2460 in 1928, the total area from 2,293,000 to 3,985,000 hectares and the sown area from 839,000 to 1,057,000 hectares ; in 1928 trustified Sovkhozy accounted for 75 per cent of all land, and 80 per cent of sown land, occupied by Sovkhozy (*Kontrol'nye Tsifry Narodnogo Khozyaistva SSSR na 1928-1929 god* (1929), p. 236).

² *Kolkhozy SSSR : Statisticheskii Spravochnik* (1929), p. 49, Table 21 ; in 1929 Kalinin observed that workers on the Shevchenko Sovkhoz, having " a great deal of free time thanks to mechanization ", were the better able to cultivate their own vegetable and garden plots (*SSSR : 5 S"ezd Sovetov* (1929), No. 15, p. 3).

³ *Sdvigi v Sel'skom Khozyaistvo SSSR* (2nd ed. 1931), p. 126.

⁴ *Na Agrarnom Fronte*, No. 9, 1926, pp. 139-158.

⁵ See *Socialism in One Country, 1924-1926*, Vol. 1, pp. 216-219, 267-268.

concentrating on those which might be expected to show a profit.¹ The production of all Sovkhozy (including presumably those working for the Sugar Trust) was said at this time to have risen in terms of value from 12 million rubles in 1924 to 50 millions in 1926, and half the Sovkhozy were working at a profit. While in 1924 Sovkhozy cultivated only 47 per cent of their land, leasing the remainder, in 1926 they cultivated 83 per cent of their land with their own labour force. But these optimistic claims, which figured in a report by the deputy director of Gossel'sindikat, were qualified by the sober conclusions of the report :

No branch of our economy has received so little by way of credits in recent years as the Sovkhozy. . . . The Sovkhozy have existed and worked, as it were, outside the plan. . . . The impression was created that the building up of the Sovkhozy was not really our affair, that these enterprises were alien to us.²

It was not till 1927 that the official attitude began gradually to change. The party central committee in a resolution of December 30, 1926, attributed the defects of the Sovkhozy to the insufficiently attentive attitude of official organs, to lack of "planned leadership" by the organs of Narkomzem, and to shortage of capital and credit. The leasing of their land by Sovkhozy was to be abandoned. On the other hand Sovkhozy were no longer to be required to pay rent, and were to receive capital advances of 6 million rubles in the 1926-1927 budget to be spent mainly on animals and machines.³ On March 16, 1927, a decree of the USSR on the Sovkhozy was issued, which, like the decree of the same date on the kolkhozy, closely followed the party resolution of December 30, 1926. The "inattentive, and sometimes even negative, attitude" of the past to the Sovkhozy was again condemned ; and the concrete recommendations were couched in the form of "proposals" to the central executive committees of the republics and to the Central Agricultural Bank. The most novel recommendation was that the Sovkhozy, whose function as

¹ *Pravda*, June 10, 1926 ; a similar reconstruction had been carried out in the Ukraine in 1924 (*Na Agrarnom Fronte*, No. 2, 1928, pp. 59-73).

² The report is in *Na Agrarnom Fronte*, No. 11-12, 1926, pp. 73-87, the passages quoted on pp. 80-81 ; the Sovkhozy working for the Sugar Trust had ceased to lease land by 1926 (*ibid.* No. 5-6, 1926, p. 112).

³ For this resolution, which also dealt with the kolkhozy, see p. 159 above.

"model farms" had always been proclaimed, should render aid to surrounding peasant households with "tractors and complex agricultural machines"; this would encourage the peasants to unite "for common cultivation with complex machines".¹ When, however, the question was discussed in the collegium of Narkomzem, the old scepticism reappeared. It was pointed out that, "*as a result of the huge losses of the last three years, the financial situation of Gossel'sindikat remains very onerous*", and could not be cleared up without further working capital. The collegium favoured a measure of decentralization, to be achieved by transferring the smaller Sovkhozy to local budgets and retaining only those of major importance in the trust network under Gossel'sindikat.² By and large, the hard-headed caution or hostility of Narkomzem officials prevailed over the airy aspirations of the party. When the White Russian SSR in 1927 prepared its materials for the first five-year plan, it expressed itself in no uncertain terms on the future of collective farming:

No special prospects exist for a significant increase in the area of Sovkhozy and kolkhozy. . . . In the present structure of agriculture, there are no special reasons to count in the immediate future on any significant transition to collective forms of cultivation.³

In White Russia individual forms of land tenure were particularly strong. But elsewhere also indifference to the Sovkhozy was still widely prevalent. During the nineteen-twenties only two or three "more or less serious" books were published about the Sovkhozy.⁴

The drive for collectivization inaugurated by the fifteenth party congress in December 1927 brought some official encouragement for this neglected institution. Molotov at the congress claimed that the Sovkhozy had shown a profit for the past two years — "a very poor profit, but it is indicative".⁵ The main

¹ *Sobranie Zakonov*, 1927, No. 15, art. 162; this was followed up by a decree of June 19, 1927, inviting the republics to draw up plans for the development of the Sovkhozy and for the provision of funds to remunerate Sovkhozy for work done by them to improve cultivation on neighbouring peasant farms (*ibid.* No. 41, art. 373). For the decree on kolkhozy see pp. 159-160 above; for "complex machines" see p. 197, note 1 below.

² *Na Agrarnom Fronte*, No. 5, 1927, pp. 143-146.

³ Quoted in *Na Agrarnom Fronte*, No. 8, 1928, p. 123, and again in *Trudy Pervoi Vsesoyuznoi Konferentsii Agrarnikov-Marksistov*, i (1930), 177.

⁴ *Ibid.* i, 205.

⁵ *Pyatnadtsatyi S"ezd VKP(B)*, ii (1962), 1204.

innovation at this time was, however, the emergence of a new kind of large-scale grain-growing Sovkhoz, the prototype of which was the Shevchenko Sovkhoz in the Odessa province of the Ukraine. This was enthusiastically praised by Krzhizhanovsky at the congress as having caused "a regular *revolt* among the *kulaks*, who felt that this affair threatens their economic prosperity".¹ Thanks to an enterprising director named Markevich, it had already been converted in 1926 to the use of tractors; and in 1927 all the basic operations of farming were — for the first time in the Soviet Union — carried out mechanically. It covered 2800 hectares and possessed at this time 24 tractors; and, since this area was inadequate for the economic use of its resources, it contracted with neighbouring holdings to extend its operations over 5000 hectares, including newly settled virgin land.² It may have been the example of the Shevchenko Sovkhoz which inspired the fifteenth party congress in December 1927 to instruct party, Soviet and cooperative organs "to strengthen the Sovkhozy by converting them in practice into model large-scale farms of a socialist type".³ But the failure of the grain collections in the winter of 1927-1928 provided a still more powerful impetus. "We made a start with the problem of the Sovkhozy and kolkhozy", Bukharin was to write later, ". . . only after a crisis had occurred in the grain collections." ⁴

Developments now quickly followed. The general decree of Sovnarkom of March 2, 1928 on government measures to support agriculture included (art. 30) an instruction to Gosplan to study "the organization of new large-scale state agricultural enterprises".⁵ On April 23, 1928, the Politburo appointed a strong commission presided over by Kalinin, and including Mikoyan, Kubyak and Kviring among its members, to consider the formation in the RSFSR and in the Ukraine within the next three or four years, mainly on hitherto uncultivated land, of large grain

¹ *Pyatnadsatyi S"ezd VKP(B)* ii, (1962), 904.

² *Planovoe Khozyaistvo*, No. 12, 1927, pp. 62-66.

³ *KPSS v Rezolyutsiyakh* (1954), ii, 484; for remarks at the congress on this use of tractors by the Shevchenko Sovkhoz see p. 210 below.

⁴ *Pravda*, September 30, 1928; for this article see pp. 89-90 above.

⁵ *Sobranie Zakanov*, 1928, No. 15, art. 126; for this decree see p. 68, note 6 above. On April 12, 1928, Narkomzem instructed local authorities to report on the possibility of finding land for new large-scale grain-growing Sovkhozy (M. Bogdenko, *Stroitel'stvo Zernovykh Sovkhozov v 1928-1932 gg.* (1958), p. 42).

Sovkhozy capable of putting 100 million puds of grain a year on the market. At a meeting of May 8, 1928, the commission pronounced the project to be realizable subject to an extension of the period from four to five years ; and a further meeting on May 12, 1928, laid down plans for immediate action. The commission had before it proposals of the Narkomzem of the RSFSR, which recommended the creation of 125 Sovkhozy with an average area of 30,000 hectares under crops in the North Caucasian, Lower Volga, Middle Volga and Ural regions and in Siberia, and the more cautious appraisal of Gosplan, which considered that Kazakhstan was the only region possessing available land of sufficient quality. The commission evidently leaned to the more optimistic view, decided to entrust the operational work to Narkomzem, and proposed to aim at producing from 5 to 10 million puds from new Sovkhozy in the current year and not less than 25 millions in the following year.¹ While a decree of TsIK and Sovnarkom based on a Rabkrin report complained that the response to the decree of March 16, 1927, on the Sovkhozy had been in all respects weak and inadequate,² the journal of the party central committee conjured up still more ambitious prospects :

The limitation of free tracts of land in the European part of the USSR naturally obliges us to go deep into Siberia and Central Asia. Kazakhstan especially has great possibilities.³

¹ For information about the work of the commission from unpublished archives see *Shestnadtsataya Konferentsiya VKP(B)* (1962), p. 792, note 128 ; M. Bogdenko, *Stroitel'stvo Zernovykh Sovkhozov v 1928-1932 gg.* (1958), pp. 23, 26-29 ; G. Konyukhov, *KPSS v Bor'be s Khlebnymi Zatrudneniyami* (1960), pp. 217-218 ; the proposals of Narkomzem were summarized in an article by Kubyak in *Pravda*, May 29, 1928. A number of "very distinguished specialists" warned the commission that there was "no historical precedent so far for such construction, and no possibility of creating a really mechanized agriculture which did not demand a massive labour force such as was difficult to find in these regions" (*Trudy Pervoi Vsesoyuznoi Konferentsii Agrarnikov-Marksistov*, i (1930), 243). Among the experts consulted by the Kalinin commission who recommended caution were Makarov, Chayanov and Lyashchenko ; an article in *Na Agrarnom Fronte*, No. 5, 1929, p. 24, expressed the view that the "calculations of bourgeois economists and agronomists in the matter of the definition of the optimum size for holdings" had a strong influence both on non-party specialists and on the "party masses". For Makarov and Chayanov see p. 20 above.

² *Sobranie Zakonov*, 1928, No. 41, art. 373 ; for the earlier decree see pp. 184-185 above.

³ *Izvestiya Tsentral'nogo Komiteta VKP(B)*, No. 20(241), June 30, 1928, p. 2.

Narkomtorg was called on to provide not less than 500 tractors.¹ Attempts were made to provide a supply of labour for the new Sovkhozy by encouraging migration to these sparsely inhabited regions.²

Scepticism about these projects was not confined to Narkomzem experts. It was difficult, a party commentator afterwards explained, to overcome "bourgeois preconceptions of the unprofitability of large-scale socialist agriculture", which influenced "not only non-party speculators, but the masses of the party, not excluding individual leaders".³ Bukharin in May or June 1928 came out in the Politburo against excessive concentration on the Sovkhozy; and Frumkin, in his letter of June 15, 1928, protested against attempts to "bring about an extension of the Sovkhozy by shock and super-shock tactics".⁴ The issue was debated at the party central committee in July 1928. Kalinin, reporting on behalf of the commission, drew a sharp distinction between the old Sovkhozy whose main functions were "political-educational", and the new Sovkhozy which were designed primarily as "large-scale grain factories".⁵ Osinsky argued in vain against embarking on large-scale Sovkhozy without knowing "whether they are profitable", adding that "even in such a country as the United States there are not sufficient examples of this method of farming".⁶ Stalin, having touched briefly on the Sovkhozy in his first speech of July 9, 1928, devoted a second speech two days later entirely to the creation of large-scale grain-growing Sovkhozy. By way of refuting opposition scepticism, he quoted a long report by a Soviet

¹ G. Konyukhov, *KPSS v Bor'be s Khlebnymi Zatrudneniyami* (1960), p. 218.

² M. Vol'f, *Puti Rekonstruktsii Sel'skogo Khozyaistva* (4th ed. 1929), p. 27.

³ *Na Agrarnom Fronte*, No. 5, 1929, p. 24.

⁴ For Bukharin's intervention and Frumkin's letter see pp. 72, 74-75 above. Bukharin in his *Notes of an Economist* of September 30, 1928 (see pp. 89-90 above) argued that investment in heavy industry would have been more profitable than the investment in "grain factories"; Kalinin later noted that "one of the characteristic traits of the Right deviation is a struggle to reduce in one way or another the rate of construction of Sovkhozy" (*Shestnadsataya Konferentsiya VKP(B)* (1962), p. 301).

⁵ M. Bogdenko, *Stroitel'stvo Zernovykh Sovkhozov v 1928-1932 gg.* (1958), p. 32.

⁶ *Trudy Pervoi Vsesoyuznoi Konferentsii Agrarnikov-Marksistov*, i (1930), 202; for the speech of Osinsky see pp. 76-77 above.

professor on a visit to the giant Montana farm of the American grain-growing entrepreneur Campbell, covering more than 30,000 hectares and said to be the largest in the world.¹ In a special resolution "On the Organization of New (Grain) Sovkhozy", the committee endorsed the directive of the Politburo "to organize the next 4-5 years in the RSFSR and in the Ukraine new large-scale Sovkhozy for the production of grain", which would be capable at the end of that time of putting an annual 100 million puds (1.65 million tons) of grain on the market; it cited the Shevchenko Sovkhoz as a model; and it stressed the importance of learning from "the experience of building up large-scale agriculture abroad and in our old Sovkhozy". Finally, everything should be done "to furnish the new grain Sovkhozy with an adequate supply of machines and, first and foremost, of tractors".² A decree of the TsIK and Sovnarkom of the USSR of August 1, 1928, giving effect to this resolution, referred to the new large-scale grain Sovkhozy as "grain factories", and provided that they should be placed under the authority of a central trust bearing the name of Zernotrest, which would be directly subordinate to STO; lands were to be assigned to the new Sovkhozy before the end of 1928, and were to be ready for cultivation in 1929.³ The plan envisaged for 1928-1929 at this time comprised 14 new grain Sovkhozy in the North Caucasian, Lower and Middle Volga and Ural regions, and in Kazakhstan with a total area of 153,000 hectares of cultivated land.⁴ A serious difficulty, to which insufficient attention was paid, was that many of the new Sovkhozy were situated in regions of deficient rainfall, since it was here that "the main masses of free land" were available.⁵

Throughout the summer of 1928 discussions proceeded about the formation of large-scale grain-growing Sovkhozy. Controversy about their optimum size and organization was particularly active at this time. Zernotrest, basing itself on the recommendations of

¹ Stalin, *Sochineniya*, xi, 190-192.

² *KPSS v Rezolyutsiyakh* (1954), ii, 517-518; for this session of the party central committee see pp. 76-81 above.

³ *Sobranie Zakonov*, 1928, No. 48, art. 421; the establishment of Zernotrest and the composition of its board had been decided on at a meeting of the Politburo commission on July 14, 1928 (M. Bogdenko, *Stroitel'stvo Zernovykh Sovkhozov v 1928-1932 gg.* (1958), pp. 34-35).

⁴ *Ekonomicheskoe Obozrenie*, No. 9, 1928, p. 48.

⁵ *Na Agrarnom Fronte*, No. 5, 1929, p. 27.

Campbell and of Ware, an American engineer who directed an American-financed agricultural concession in Siberia, and now worked in Zernotrest, proposed a unit of about 30,000 hectares, divided into 8 or 10 farms. The Sovkhoz would be responsible for machinery, capital expenditure, transport and all accounting; each farm would be run by an agronomist responsible to the director of the Sovkhoz. On the other hand, Sovkhoz workers of the North Caucasian region, at a conference in Rostov in the summer of 1928, recommended Sovkhoz of 150,000 hectares or even more, each Sovkhoz to be divided into "bases" of 50,000 hectares each; workshops for major repairs, capital expenditure and accounting were to be in the hands of the Sovkhoz.¹ Markevich, the director of the Shevchenko Sovkhoz, calculated that the cost of working per hectare from a single MTS declined rapidly with an increase in the size of the unit up to 5000 hectares, and somewhat less rapidly up to 40,000 or 50,000 hectares, above which limit no significant reduction in costs could be expected.² In October 1928 a Sovkhoz of 41,000 hectares in the North Caucasian region and two of 34,000 and 13,000 hectares in Samara province were transferred to Zernotrest by a decree of the RSFSR, which also placed at the disposal of Zernotrest a further 2,600,000 hectares in the Middle Volga, Lower Volga, North Caucasian, Ural and Siberian regions.³ Other plans were made for a cotton-growing Sovkhoz in Dagestan to be worked by 2000 poor peasant families transferred from the mountain regions, and for a grain-growing Sovkhoz in the Crimea for Jewish settlers.⁴ Plans for Sovkhoz in Kazakhstan were actively canvassed, but seem to have been less advanced.⁵ The largest of the new Sovkhoz created at this time was the Gigant Sovkhoz in the Salsk department of the North Caucasian region. Gigant took over 150,000 hectares of land which had been "untouched for decades", acquired 300 tractors, and by the autumn of 1928 had ploughed 65,000 hectares and sown

¹ *Na Agrarnom Fronte*, No. 9, 1928, pp. 86-87; for Ware see *Socialism in One Country*, 1924-1926, Vol. 3, pp. 481-482.

² A. Markevich, *Mezhseleennye Mashino-Traktornye Stantsii* (2nd ed., 1929), pp. 168-169; for the MTS see p. 213 below.

³ *Sobranie Uzakonenii*, 1928, No. 137, art. 888.

⁴ *Na Agrarnom Fronte*, No. 11, 1928, pp. 5-6; for Jewish settlers in the Crimea see *Socialism in One Country*, 1924-1926, Vol. 1, p. 529, and p. 932 below.

⁵ M. Bogdenko, *Stroitel'stvo Zernovykh Sovkhozov v 1928-1932 gg.* (1958), p. 51.

12,000 hectares with winter grain.¹ In January 1929 the formation of another party committee under the presidency of Kalinin was announced "to assist in the creation of large-scale grain Sovkhozy".² At the end of the same month Campbell, at the pressing invitation of the Soviet Government, visited Moscow, had interviews with Kalmanovich, the president of Zernotrest, with Stalin and with Kalinin, and inspected several Sovkhozy.³ Campbell spoke, together with Rykov, at a meeting of the All-Union Agricultural Society, avoiding controversial topics and dilating on "the vast sweep of the American economy" and on the "enthusiasm" of its agricultural organizers.⁴ The sixteenth party conference in April 1929 condemned the "Right deviationists" for their attempt "to retard and destroy the development of the Sovkhozy" and pronounced in favour of the "new Sovkhozy" which, by the end of the first five-year plan, would market not less than 1,646,200 tons (or 100 million puds) of grain a year; 10 to 12 million hectares of land were to be allocated to Zernotrest "for the further expansion of Sovkhozy".⁵

Meanwhile little or no progress could be recorded in the old Sovkhozy. In June 1928, when the campaign for the new Sovkhozy was beginning to get into its stride, Sovnarkom received a damning report on the failure of all concerned, including Gossel'sindikat, to give effect to the decree of March 16, 1927, on the expansion and improvement of the old Sovkhozy; but the decree approving the report ended with nothing more substantial than an exhortation to the governments of the republics to take the matter in hand.⁶ The party central committee in November 1928

¹ G. Konyukhov, *KPSS v Bor'be s Khlebnymi Zatrudneniyami* (1960), p. 225; its beginnings were described in *Pravda*, August 14, 1928. In February 1929 it had 53,000 hectares of sown land (*ibid.* February 14, 1929).

² *Pravda*, January 10, 1929.

³ This visit, and a further visit in June-July 1930, were described in T. D. Campbell, *Russia: Market or Menace?* (N.Y., 1932); Ilychev, the vice-president of Zernotrest, visited the United States in the spring of 1929 (*Economic Review of the Soviet Union* (Washington), iv, No. 7, April 1, 1929, pp. 132-134).

⁴ *Na Agrarnom Fronte*, No. 11-12, 1929, p. 135; for party criticisms of this society, which was the heir of the century-old Imperial Agricultural Society, see *ibid.* p. 139; *Shestnadtsataya Konferentsiya VKP(B)* (1962), p. 186.

⁵ *KPSS v Rezolyutsiyakh* (1954), ii, 581, 586.

⁶ *Sobranie Zakonov*, 1928, No. 41, art. 373; the draft had been discussed and amended by the Kalinin commission on June 12, 1928 (G. Konyukhov, *KPSS v Bor'be s Khlebnymi Zatrudneniyami* (1960), p. 218). The party central

spoke guardedly of "the strengthening of the old Sovkhozy", but did not pursue the matter.¹ Many Sovkhozy were behindhand in their wages payments; and for their bills to be protested had become "a regular phenomenon".² Even their social affiliations were in doubt. A delegate at the eighth trade union congress in December 1928 alleged that the Sovkhozy of the Sugar Trust were run by "old landowners and old officials".³ A resolution of the party central committee in April 1929 deplored the unsatisfactory state of party work in the Sovkhozy. Nine-tenths of the Sovkhozy had no party cell; where such cells existed, they were small and insignificant. Of directors of Sovkhozy belonging to Gossel'sindikat 31 per cent were party members, of those belonging to the Sugar Trust only 11 per cent; among workers in Sovkhozy the proportion of party members varied from 3 to 10 per cent.⁴ A further resolution called for a strengthening of party and trade union work in the Sovkhozy, and spoke of the need to raise the qualifications of secretaries of party cells.⁵ The sixteenth party conference later in the same month reflected this uneasiness. The president of Vserabotzemles condemned the Sovkhozy in the Moscow and Leningrad provinces as being, "with rare exceptions, more like landlords' estates which have been painted over, rectified and called to order, than like agricultural factories producing the vegetables, milk, etc., so necessary to the working population"; and another delegate roundly asserted that the Sovkhozy were run by ignoramuses.⁶ But the main defect of the old Sovkhozy was their size. In the Central Black-Earth region 336 old Sovkhozy covered no more than 447,500 hectares, including only 259,000 hectares of cultivated land.⁷ In the days of the great grain-growing Sovkhozy,

committee at this time also demanded more attention for the existing Sovkhozy (*Izvestiya Tsentral'nogo Komiteta VKP(B)*, No. 21(242), July 14, 1928, pp. 3-4). For the decree of March 16, 1927 see pp. 184-185 above.

¹ *KPSS v Rezolyutsiyakh* (1954), ii, 531.

² *Pravda*, November 23, 1928.

³ *Vos'moi S'ezd Professional'nykh Soyuzov SSSR* (1929), p. 294.

⁴ *Pravda*, April 30, 1929; the resolution was apparently the result of a meeting summoned by the rural section of the party central committee in March 1929 (*Bednota*, May 18, 1929).

⁵ *Izvestiya Tsentral'nogo Komiteta VKP(B)*, No. 13(272), May 15, 1929, pp. 22-23.

⁶ *Shestnadtsataya Konferentsiya VKP(B)* (1962), pp. 183, 337.

⁷ *Istoricheskie Zapiski*, li (1955), 203.

these were miniature units, unsuited to mechanization or to improved modern techniques. Controversy raged at the conference round the question whether the old Sovkhozy should be subject to the central control of Zernotrest or should be under the direction of the local authorities.¹ On April 25, 1929, while the conference was still in session, Sovnarkom adopted a resolution on "the enlargement of the old Sovkhozy", the aim being "the effective conversion of the old Sovkhozy into agricultural mechanized undertakings of a socialist type, formed on the basis of advanced technology and use of machines (agricultural factories)". This was to be achieved by combining existing Sovkhozy or by assigning fresh land to them, if necessary by way of exchange with the surrounding peasantry. The Sovkhozy were to be provided with capital and long-term credits on the same basis as industrial enterprises.² The vision of agricultural units organized on the model of industrial factories continued to haunt Soviet planners. An organization called Sovkhoztsentr was set up at this time under the Narkomzem of the RSFSR, in place of the unsatisfactory Gossel'sindikat, to unite and supervise the "trustified" Sovkhozy of the RSFSR.³

In spite of the publicity surrounding the Sovkhozy at this time, and some real achievements, their place in the economy was still extremely limited. The number of those employed in Sovkhozy rose slowly from 497,000 in 1926 to 627,700 in 1929; and of those employed 85 or 90 per cent were seasonal or temporary workers.⁴ Increases in the area under crops, in harvest yield, and in the ratio of Sovkhoz production to total production⁵ were correspondingly modest. In the spring sowing campaign of 1929 the targets set for grain sowings on Sovkhozy in the RSFSR and the Ukraine were 420,000 and 170,000 hectares respectively, compared with 46 millions and 11.5 millions for ordinary peasant

¹ *Shestnadsataya Konferentsiya VKP(B)* (1962), pp. 340, 423, 431-432; an attack on the excessive centralization of Zernotrest appeared in *Pravda*, March 9, 1929, and was answered in a further article *ibid.* April 6, 1929.

² *Sobranie Zakonov*, 1929, No. 30, art. 275; that some of the old Sovkhozy were amalgamated at this time is suggested by a decrease in the total number of Sovkhozy from 3125 in 1928 to 3042 in 1929 (*Sel'skoe Khozyaistvo SSSR*, 1935 (1936), p. 715).

³ *Shestnadsataya Konferentsiya VKP(B)* (1962), pp. 340, 804, note 220.

⁴ *Trud v SSSR* (1935), p. 257.

⁵ See p. 180 above.

holdings.¹ Some of the land allocated to the new Sovkhozy proved unfit for cultivation ; and, since nearly all were in regions of low rainfall, shortage of water was a constant problem.² The conception of the Sovkhozy, which went back to the initial decree of February 14, 1919,³ as examples and points of assistance and support for the surrounding peasant households, though probably more honoured in the breach than the observance, was never entirely lost sight of ;⁴ and it revived in the later nineteen-twenties with the beginnings of mechanization in agriculture, when it became increasingly convenient to centralize machines and tractors in the Sovkhozy or other large units. The function of the Sovkhozy was now not merely to act as an example or render aid to peasant households on specific points of agricultural technique. It was to provide the organization which would lead the peasant economy along the path to a collective agriculture. A report prepared for the fifteenth party congress of December 1927 claimed that the Sovkhozy "not only restore and reorganize production, converting it from losses to profits, but to a progressively increasing extent aid the technical and cooperative reshaping of the peasant economy".⁵ The resolution of the congress spoke of transforming the Sovkhozy into "model large-scale farms of the socialist type, while at the same time strengthening their aid to the peasant economy (organization in the Sovkhozy of hiring-points, technical advice, tractor columns, etc.)";⁶ and a resolution of the party central committee of November 1928 on the North Caucasian region observed that Sovkhozy should "not only fulfil the role of grain factories, but serve as a model of industrial agriculture for the neighbouring peasant economy".⁷

The year 1928 was marked by a sharp increase in services of

¹ *Sobranie Zakonov*, 1929, No. 4, art. 33 ; for the target for kolkhozy see p. 174 above.

² M. Bogdenko, *Stroitel'stvo Zernovykh Sovkhozov v 1928-1932 gg.* (1958), p. 54. Most of the new Sovkhozy under the control of Zernotrest apparently worked on a simple rotation of alternate wheat and fallow ; this was considered most advantageous in low rainfall areas (*Ekonomicheskoe Obozrenie*, No. 12, 1929, pp. 98-99).

³ See *The Bolshevik Revolution, 1917-1923*, Vol. 2, pp. 154-155.

⁴ See *Socialism in One Country, 1924-1926*, Vol. 1, p. 217.

⁵ Ya. Yakovlev, *K Voprosu o Sotsialisticheskome Pereustroistve Sel'skogo Khozyaistva* (1928), p. 334.

⁶ *KPSS v Rezolyutsiyakh* (1954), ii, 484.

⁷ *VKP(B) v Rezolyutsiyakh* (1941), ii, 308 ; this resolution was omitted from later editions.

all kinds rendered by Sovkhozy to surrounding peasant households.¹ In that year the Shevchenko Sovkhoz, in the name of the central Ukrainian Sovkhoz administration, concluded a contract with 238 peasant *dvors* of the surrounding villages for the cultivation of their land with tractors for a period of five years. Of the 26 villages concerned, only 9 at first signed the agreement as a whole; in the remainder, a minority of *dvors* abstained and were left out of the scheme, though after the first year many of these decided to enter, and 16 of the 26 villages were incorporated in their entirety.² The contract was circulated to the sixteenth party conference in April 1929 as a model document.³ A decree of the RSFSR on the work of Sovkhozy affiliated to Gossel'sindikat contained a long section on ways and means of assisting in "the reorganization on socialist principles of peasant households surrounding the Sovkhozy": these ranged from the organization of tractor columns and stations to the provision of seeds and fertilizers and the loan of qualified personnel.⁴ A table was drawn up showing the far higher crop yields in peasants' holdings which enjoyed the help of Sovkhozy than in those which did not.⁵ The part played by Sovkhozy in facilitating and popularizing the use of tractors may well have been the most important of their services to Soviet agriculture at this time. The presence of a large Sovkhoz in the region was cited as one of the factors favouring the development of kolkhozy; and Sovkhoz workers are said to have assisted in organizing many of them.⁶ Yet a candid official report of the period observed that, while the peasantry committed no "hostile

¹ *Materialy po Istorii SSSR*, vii (1959), 292-294.

² A. Markevich, *Mezhselelennye Mashino-Traktornye Stantsii* (2nd ed. 1929), pp. 36-41, 298-301.

³ *Shestnadsataya Konferentsiya VKP(B)* (1962), pp. 764-766; for Kalinin's comments see *ibid.* pp. 291-292. For a draft contract in April 1929 between a union of sugar-beet Sovkhozy and a kolkhoz "for the agricultural and organizational improvement of peasant cultivation" see *Materialy po Istorii SSSR*, vii (1959), 283-287.

⁴ *Sobranie Uzakonenii*, 1929, No. 55, art. 542; examples of practical assistance to peasants and of "extensive explanatory work on the collectivization of agriculture" undertaken by Sovkhozy in the Central Black-Earth region in 1929 are cited in *Istoricheskie Zapiski*, xli (1952), 217. For the supply of seeds by Sovkhozy of the Sugar Trust see *Ekonomicheskoe Obozrenie*, No. 7, 1928, p. 160.

⁵ V. Yakovtsevsky, *Agrarnye Otnosheniya v SSSR* (1964), p. 319.

⁶ *Materialy po Istorii SSSR*, vii (1959), p. 243; V. Yakovtsevsky, *Agrarnye Otnosheniya v SSSR* (1964), p. 320.

acts " against the Sovkhozy, " no special good will or interest in the economic development of the Sovkhozy exists ".¹ The traditional prejudice of the peasant against state intervention in his affairs, however efficient and however beneficent, was difficult to break down.

¹ *Materialy po Istorii SSSR*, vii (1959), 295 ; see *Istoriya Sovetskogo Krest'yanstva i Kolkhoznogo Stroitel'stva v SSSR* (1963), pp. 197-198 for a caveat against over-estimating the aid rendered to neighbouring peasants by the Sovkhozy.

CHAPTER 8

MECHANIZED AGRICULTURE

THE supply of implements and machines to the cultivator of the soil became in the years from 1926 to 1929 a cardinal factor in agricultural policy, the collective use of machines being a primary motive for the collective cultivation of the soil. The equipment of the Russian peasant had always been primitive; and after the revolution the production of implements and machines¹ almost ceased. Its revival began under NEP. In 1922 or 1923 "machine societies" came into existence for the supply of machines and implements to peasants; these were organized on a cooperative basis, though few of them belonged at first to the official network of cooperatives.² The party central committee, in its crucial discussions on agriculture in April 1925, gave its blessing to "machine societies" as one of the methods of promoting cooperation among poor and middle peasants and of creating "preliminary conditions for the gradual (voluntary) transition to large-scale collective agriculture, which is connected with the adoption of the latest methods of mechanization and with

¹ In the literature of the subject "machines and implements" are commonly linked together. The term "machines" includes metal implements such as ploughs and harrows (though not the wooden plough which the peasant often made for himself); machines properly so-called — seed-drills, threshing-machines, reapers, binders etc. — are referred to by way of distinction as "complex machines (slozhnye mashiny)". Thus, as late as 1929, 45.3 per cent of the inventory of the so-called "machine societies" consisted of "the simplest metal implements (plough and harrow)" and 54.7 per cent of "complex machines" (V. Danilov, *Sozdanie Material'no-Tekhnicheskikh Predposylok Kollektivizatsii* (1957), p. 203; this work contains a fund of information, partly from unpublished archives, on the supply of agricultural machines and implements). Ambiguities of classification render the use of statistical material hazardous; tractors were classified separately and not included in statistics of machines and implements. A list of "agricultural machines and implements" in common use will be found in *Sel'skoe Khozyaystvo SSSR, 1935* (1936), p. 198.

² V. Danilov, *Sozdanie Material'no-Tekhnicheskikh Predposylok Kollektivizatsii* (1957), pp. 196-197.

electrification".¹ Six months later 2268 machine societies comprising 34,000 peasant households had come into existence.² But the costs of production, and therefore the prices, of agricultural machines were high; peasant resources were non-existent; and credits were limited. It was some time before these slow beginnings made much impact on the Soviet countryside. A familiar feature of the nineteen-twenties was still "a wretched wooden plough dating from the time of Adam, often drawn by a miserable pair of emaciated oxen, or by the farmer, or by his wife".³ The wooden plough was the long-standing symbol of Russian backwardness, its replacement a symptom of progress.⁴ Of ploughs in use in 1924, 46.5 per cent were still the primitive wooden plough.⁵

The mechanization of agriculture became an increasingly important theme of party policy during the second half of the nineteen-twenties. Plans of mechanization had first been canvassed in the Ukraine at the end of 1924, and had since been constantly discussed.⁶ In October 1926 the fifteenth party conference branded "the inadequacy of the agricultural inventory and of the supply of machines to the countryside" as "a cause of the retarded progress of the development of agricultural production".⁷ It was stated at the fifteenth party congress a year later that 5,500,000 wooden ploughs were still in use on October 1, 1927, though 700,000 iron ploughs were available unsold; a wooden plough cost 6 rubles, an iron plough 14 rubles.⁸ The

¹ *KPSS v Rezolyutsiyakh* (1954), ii, 118.

² *Istoricheskii Arkhiv*, No. 1, 1960, p. 40.

³ *SSSR: 5 S"ezd Sovetov* (1929), No. 18, p. 8.

⁴ See *Socialism in One Country, 1924-1926*, Vol. 1, p. 280, note 2; both Rykov and Kalinin recalled in the spring of 1929 Lenin's encouragement of experiments with an electric plough (*Shestnadtsataya Konferentsiya VKP(B)* (1962), p. 15; *SSSR: 5 S"ezd Sovetov* (1929), No. 15, p. 18), and an article in *Istoricheskii Arkhiv*, No. 4, 1956, pp. 3-38, collects his pronouncements on the subject.

⁵ V. Danilov, *Sozdanie Material'no-Tekhnicheskikh Predposylok Kollektivizatsii* (1957), p. 387. An enquiry in Orel province in 1926 showed that the proportion of iron ploughs rose from 23.6 per cent on holdings of less than 1 desyatin to 61.8 per cent on holdings over 16 desyatins; the average figure was 38 per cent of iron ploughs and 62 per cent of wooden ploughs (Ya. Yakovlev, *K Voprosu o Sotsialisticheskom Pereustroistve Narodnogo Khozyaistva* (1927), p. 97).

⁶ *Planovoe Khozyaistvo*, No. 12, 1927, p. 61; for these discussions see *Socialism in One Country, 1924-1926*, Vol. 1, pp. 320-325.

⁷ *KPSS v Rezolyutsiyakh* (1954), ii, 299-300.

⁸ *Pyatnadtsatyi S"ezd VKP(B)*, ii (1962), 1361.

campaign was given a special impetus by the difficulties of the grain collection of the winter of 1927-1928. On June 12, 1928, a decree of STO demanded further measures of rationalization in the production of agricultural machinery, and called on Gosplan and Vesenkha to work out the requirements of the next five years ; the wooden plough was to be completely replaced by the metal plough " within three years ".¹ At the session of the party central committee in July 1928 Stalin re-adapted the doctrine of the link with the peasantry to the needs of mechanization. The " textile link " must be replaced by the " metal link ". The famous " link " did not consist simply in supplying the peasant with cotton cloth for his personal use. It consisted also in supplying him with machines, the result of which would be " gradually to transform the peasantry, its psychology and its production, in the spirit of collectivism ".²

Every question of the supply of machines and implements to the countryside was, however, soon overshadowed by the tractor ; " the tractorization of agriculture " became the symbol of modern techniques and increased productivity.³ Once an alternative to horse traction was in sight, its uneconomic aspects were realized and exposed. Narkomzem calculated that in one-third of all peasant households production was too low to make the keeping of a horse profitable ; the average holding of land per horse was far below the eight hectares which one horse could plough, so that the horse was constantly worked below capacity.⁴ Markevich in a report to the presidium of Gosplan pointed out that in the Ukraine 49 per cent of *dvors* had less than 3 desyatins of land and an average

¹ *Sobranie Zakonov*, 1928, No. 41, art. 374 ; this demand was repeated in the final draft of the five-year plan early in 1929 (*Pyatiletnii Plan Narodno-Khozyaistvennogo Stroitel'stva SSSR* (1929), ii, i, 293).

² Stalin, *Sochineniya*, xi, 162. According to a writer in *Bol'shevik*, No. 14, July 31, 1927, p. 34, Trotsky invented the catchword of the contrast between the " calico link " and the " machine link " ; this seems to be a clear case of Stalin stealing Trotsky's clothes.

³ See *Socialism in One Country*, 1924-1926, Vol. 1, pp. 322-323 ; middle peasants, asked at this time whether they were " for the *kulak* or for the Soviet government ", were reported to have replied : " Not for the *kulak* and not for the government, but for the tractor " (*Materialy po Istorii SSSR*, vii (1959), 243). See also p. 176, note 5 above.

⁴ *Bol'shevik*, No. 13-14, July 31, 1928, p. 42 ; *XIV Vserossiiskii S'ezd Sovetov* (1929), No. 7, pp. 4-5 ; *Na Agrarnom Fronte*, No. 4, 1929, pp. 19-20.

sown area of 1.9 desyatins; if each of these *dvors* had a horse (which some people thought of as the ideal), this would mean 63 horses to every 100 desyatins of sown land, and the horses would consume the whole crop.¹ The tractor was likely to be most profitable in regions where both winter and spring sowings were practicable: these were mainly the steppe regions of the Ukraine and the northern Caucasus.² This was the ideal country for the tractor, and its potentialities seemed boundless. The mechanization of agriculture through the tractor was the rural counterpart of industrialization in the towns. Production of tractors in the Soviet Union was still insignificant, and costs prohibitive.³ But in the middle nineteen-twenties the importation of tractors, mainly Fordsons from the United States, began on a significant scale.⁴ The decision taken by STO on April 1, 1927, to build a tractor factory at Stalingrad⁵ was followed by the launching of a publicity campaign in *Bednota* with a picture of a tractor and quotations from Rykov and Mikoyan.⁶ In July 1927, Mikoyan argued, at a conference on the supply of agricultural machines, that only when agriculture was based on "the improved plough and the powerful tractor" would the socialist régime be strong; the tractor was "the truly revolutionary link for the cooperation of our peasantry".⁷ *Bednota* in a later article was frank about the ultimate aim:

The Soviet state is not interested simply in the supply of machines. It strives at the same time to make the machine a lever for the cooperative organization and collectivization of agriculture.⁸

"Give machines or electrification", Lenin said at the tenth party congress in 1921, "and tens and hundreds of thousands of petty *kulaks* will be wiped out".⁹ It was clear from the first that the

¹ Quoted from a Narkomzem publication in the Trotsky archives, T 2240; in some small holdings the horse already consumed half the total production (*Pyatiletnii Plan Narodno-Khozyaistvennogo Stroitel'stva SSSR* (1929), ii, i, 278).

² *Ibid.* ii, i, 277-278.

³ See *Socialism in One Country, 1924-1926*, Vol. I, pp. 321-325, and p. 448 below.

⁴ See Table 10, p. 945 below.

⁵ For this and connected decisions see p. 449 below.

⁶ *Bednota*, June 25, 1927.

⁷ *Torgovo-Promyshlennaya Gazeta*, July 27, 1927.

⁸ *Bednota*, September 29, 1927.

⁹ Lenin, *Sochineniya*, xxvi, 246.

tractor could operate only by combining a number of individual holdings into a single unit for its work. Molotov at the fifteenth party congress in December 1927 pointed out the incompatibility of the new techniques with small peasant holdings, which he described as "the fundamental evil of the countryside, its fundamental economic contradiction".¹ The tractor was the automatic agent of collectivization.²

The most delicate problems confronting the mechanization of agriculture arose in the sphere of distribution. A decree of Sovnarkom of May 6, 1925, had instructed state and cooperative organizations to give credit "to the peasant, and especially the poor and middle peasant, population" for the purchase of machines and implements.³ But this seems to have remained a dead letter. In 1926 the primary problem was still that of disposing of even the small available quantities of machinery. On October 1, 1926, Mikoyan stated that agricultural machinery to the value of 42 million rubles (more than six months' output) was in store;⁴ and during the autumn Selmashsindikat got into debt and was closed down by order of Vesenkha.⁵ In October 1926, STO received two reports calling for government support of the industry. Narkomtorg wanted improved credit facilities for poor and middle peasant associations to purchase agricultural machinery. Vesenkha pressed for increased subsidies to the machinery producers, and suggested that a tax on imported tractors might be paid into a special fund for this purpose, and that the prices of complex machines sold to well-to-do peasants might be increased. Narkomtorg also supported increased subsidies to producers, and suggested that the costs of the industry should be cut by selling materials and fuel to it at reduced prices.⁶ STO evaded what was evidently a difficult issue by setting up on November 4, 1926,

¹ *Pyatnadtsati S"ezd VKP(B)*, ii, (1962), 1196.

² For the testimony of a German expert on this point see O. Schiller, *Die Kollektivbewegung in der Sowjetunion* (1931), p. 35.

³ *Sobranie Zakonov*, 1925, No. 32, art. 222.

⁴ *Torgovo-Promyshlennaya Gazeta*, July 27, 1927; for evidence of unsold agricultural machines and implements in this period see V. Yakovtsevsky, *Agrarnye Otnosheniya v SSSR* (1964), pp. 299-300.

⁵ *Torgovo-Promyshlennaya Gazeta*, November 14, December 7, 1926.

⁶ *Ibid.* September 16, October 8, 29, 1926.

a committee broadly representative of Soviet and cooperative organs to deal with the supply of agricultural machines ; decisions were to be taken by a majority, but with a right of appeal to Narkomtorg.¹ Finance remained the crux. In spite of Narkomzem opposition on the ground that higher priced machinery would be refused by the peasants, STO raised the prices of " more complex " machines ; and credit facilities seem to have been actually cut.² These measures were, however, implicitly condemned by the fifteenth party conference, which insisted that one of the methods of strengthening the poor and middle peasants must be to make more credits available for the supply of agricultural machines.³

This issue continued to preoccupy the authorities throughout 1927. The number of machine societies rose steadily from some 2000 in October 1925 to 10,200 two years later ;⁴ and a decree of the RSFSR of July 2, 1927, attempted to put new life into the struggling peasant committees of mutual aid by extending to them the same credit and other facilities as to the cooperatives for the supply of agricultural machines and inventory to the peasant.⁵ But none of these measures nullified the material advantages enjoyed by the well-to-do peasant in the acquisition of machines and implements. The decree of March 16, 1927, on the kolkhozy drew attention to " cases of the utilization of machine societies by *kulak* elements to conceal their exploitation of the poorest elements in the countryside ".⁶ Two months later the party central committee instructed the Samara party organization to exercise " more careful control over the granting of credit to machine societies and individual households " ; and several similar warnings against *kulak* predominance in " bogus machine societies " issued from party headquarters in the succeeding months.⁷ An investigation

¹ *Sobranie Zakonov*, 1927, No. 7, art. 75.

² *Torgovo-Promyshlennaya Gazeta*, September 18, November 11, 1926.

³ *KPSS v Rezolyutsiyakh* (1954), ii, 299-300.

⁴ V. Danilov, *Sozdanie Material'no-Tekhnicheskikh Predposylok Kollektivizatsii* (1957), pp. 415-417 ; totals of 26,000 for 1927 and 45,000 for 1928 are given in *Na Agrarnom Fronte*, No. 9, 1928, p. 5. For the 1926 total see p. 198 above.

⁵ *Sobranie Uzakonenii*, 1927, No. 62, art. 429 ; for these committees see p. 142, note 4 above.

⁶ For this decree see pp. 159-160 above.

⁷ *Izvestiya Tsentral'nogo Komiteta VKP(B)*, No. 17-18 (190-191), May 13, 1927, pp. 6-8 ; No. 29 (203), July 30, 1927, p. 10 ; No. 44 (217), November 28, 1927, p. 5.

of 1927 showed a higher percentage of well-to-do peasants in the machine societies than their proportion in the population warranted, especially in the grain-growing regions of the northern Caucasus and the Volga.¹ A resolution of the party central committee of August 1927 referred ominously, in the context of the cooperatives and machine societies, to "perversions in the application of party directives in regard to guaranteeing the interests of the poor and middle mass of the peasantry";² and the fifteenth party congress four months later decided "to facilitate by all means the supply of agricultural machines to kolkhozy and to less well-to-do peasants", and to bring about "a diminution in the share of the *kulaks* in the total quantity of machines supplied".³

These protests, and the efforts of the central authorities, seem gradually to have produced an effect. Gosplan attempted to get round the financial difficulty by proposing in the control figures for 1927-1928 that 75 per cent of the cost of agricultural machines and implements should be covered by credits, as compared with 35 and 50 per cent respectively in the two preceding years.⁴ Favourable credit terms were offered to poor and middle peasants for the purchase of machines and implements, and especially to those who wished to replace the wooden plough by more up-to-date equipment; on the other hand machines and implements were to be supplied to "the top strata in the countryside" exclusively for cash payment.⁵ The proportion of machines sold on credit increased rapidly, rising from 30.7 per cent in 1925-1926 to 47 per cent in 1926-1927 and 81.1 per cent in 1927-1928.⁶ Statistics from three central provinces of the RSFSR purported to show that from October 1927 to March 1928 13 per cent of all

¹ V. Danilov, *Sozdanie Material'no-Tekhnicheskikh Predposylok Kollektivizatsii* (1957), p. 418.

² *KPSS v Rezolyutsiyakh* (1954), ii, 377; *Ekonomicheskoe Obozrenie*, No. 3, 1928, p. 21, gave examples of preferential treatment of well-to-do peasants in the supply of machines.

³ *KPSS v Rezolyutsiyakh* (1954), i, 483-484.

⁴ *Kontrol'nye Tsifry Narodnogo Khozyaistva SSSR na 1927-1928 god* (1928), p. 120.

⁵ *Sobranie Zakonov*, 1928, No. 23, art. 206; No. 59, art. 530; *Sobranie Uzakonenii*, 1929, No. 29, art. 310; *Sobranie Zakonov*, 1929, No. 20, art. 178; V. Danilov, *Sozdanie Material'no-Tekhnicheskikh Predposylok Kollektivizatsii* (1957), p. 184.

⁶ See figures quoted from official archives in V. Yakovtsevsky, *Agrarnye Otnosheniya v SSSR* (1964), p. 234.

machines sold had gone to Sovkhozy and kolkhozy, and that of those sold to peasant holdings the proportion sold to poor peasants had increased from 29.8 per cent in the corresponding period of the previous year to 34 per cent, and the proportion sold to well-to-do peasants had fallen from 18.2 to 8.8 per cent.¹ But there is ample evidence of conflicting policies simultaneously pursued. In the grain collections crisis of January–March 1928, complex machines were supplied to *kulaks* in return for grain deliveries.² On March 9, 1928, Orjonikidze, who was at this time president of a commission concerned with the spring sowings, issued an order to the republican governments and the provincial and regional executive committees to put an end to this abuse: the order was later confirmed by STO.³ Scandals occurred in regard to the new system of *kontraktatsiya*, contracts being sometimes accompanied by promises of delivery of machines to *kulak* households in return for engagements to deliver grain.⁴ As late as February 9, 1929, in the stress of the grain collections of the winter of 1928–1929, Sovnarkom issued an instruction permitting 20 per cent of available agricultural machines in the grain-growing regions to be sold to “the top strata in the countryside” for cash, the proportion allocated to middle peasants being reduced. The party central committee intervened, and obliged Sovnarkom on March 15, 1929, to cancel its decision and restore the *status quo*.⁵

Throughout this time constant complaints were heard of the failure to make machines available to the poorer sectors of the peasantry. According to a report of the Rabkrin of the RSFSR in

¹ *Na Agrarnom Fronte*, No. 6-7, 1928, p. 40.

² See Syrtsov's report in *Pravda*, February 29, 1928.

³ V. Danilov, *Sozdanie Material'no-Tekhnicheskikh Predposylok Kollektivizatsii* (1957), pp. 171-172; a telegram from Orjonikidze on the subject appeared in *Pravda*, March 17, 1928. On the other hand, the compilers of the Gosplan control figures for 1928–1929 recommended the sale of machines to middle peasants “having full regard to their financial means and to the grain surpluses held by them” (*Kontrol'nye Tsifry Narodnogo Khozyaistva SSSR na 1928–1929 god* (1929), p. 293).

⁴ *Shestnadsataya Konferentsiya VKP(B)* (1962), p. 434; an order of Narkomtorg of December 20, 1928, prohibiting this practice is cited *ibid.* p. 812, note 269. For *kontraktatsiya* see pp. 219-226 below.

⁵ V. Danilov, *Sozdanie Material'no-Tekhnicheskikh Predposylok Kollektivizatsii* (1957), pp. 184-185; these decisions do not appear to have been published. This was evidently the incident referred to by Stalin with indignation in April 1929 (Stalin, *Sochineniya*, xii, 103).

the spring of 1928, the peasant committees of mutual aid at that time held 20,000 machines and 2000 tractors, but gave no preference to poor peasants in distributing them. In the Ukraine a commission was set up in April 1928 to investigate bogus machine societies; 1271 such societies were liquidated, and 676 tractors confiscated (though not without compensation) and transferred to various organs and institutions.¹ In the Barnaul department of Siberia in the spring of 1928, all the threshing machines were held by 8 per cent of peasant households; these were *kulaks* on whom the rest of the peasants were dependent for the hire of the machines.² In one Siberian village, 75 per cent of the revenues of *kulaks* were said to come from the exploitation of machines;³ and cases were quoted of machine societies operated by *kulaks* which let out machines "in order to exploit neighbouring peasants".⁴ Payment for the hire of the machines was rarely in cash, and most commonly in grain or labour;⁵ such conditions emphasized the dependence of those who hired the machines on those who supplied them.

A new institution originally designed to help the poor peasant and lessen his dependence on his well-to-do neighbour was the "hiring-point", which leased agricultural machines and implements to the peasantry on favourable terms; this received the endorsement of the party central committee at its session of

¹ V. Danilov, *Sozdanie Material'no-Tekhnicheskikh Predposylok Kollektivizatsii* (1957), pp. 315-316.

² Trotsky archives, T 1230.

³ *Derevenskii Kommunist*, No. 24(96), December 25, 1928, p. 17; the liquidation of bogus machine societies in Siberia was reported in *Izvestiya Tsentral'nogo Komiteta VKP(B)*, No. 12-13 (233-234), April 17, 1928, p. 28.

⁴ *SSSR: 5 S'ezd Sovetov* (1929), No. 15, p. 30.

⁵ An interesting table shows the methods of payment (in percentages) for the hire of different implements or machines:

	Money	Grain	Labour	Other or Mixed
Ploughs	3·4	16·2	58·5	21·9
Seed-drills	3·2	48·6	34·4	13·8
Threshing- machines	1·4	82·1	10·6	5·9
Winnowing- machines	2·1	52·7	32·9	12·3

(*Bol'shevik*, No. 15, August 15, 1928, pp. 31-32); for payment of wages in kind see p. 139 above.

October 1925 as an enterprise "serving chiefly the poor peasant".¹ At this time 4500 such "points" had been established, half in the form of agricultural cooperatives, and most of the rest by Soviet organs, including Sovkhozy; a few of them were attached to the peasant committees for mutual aid.² The number of hiring-points rose steadily from 4500 in 1925 to 6300, 7300, 10,600 and 11,700 in the four succeeding years.³ The resolution of the fifteenth party congress in December 1927 spoke of state and co-operative hiring-points for "complex machines" as "a factor stimulating the transition to collective forms of cultivation of the soil on the basis of new techniques".⁴ In spite, however, of a decree of February 21, 1928 instructing cooperative organs to ensure the full use of the machines by poor and middle peasants, to organize repairs and to make no charge for them to the poorer households,⁵ complaints continued to be made that machines held by the hiring-points were of poor quality, that they were used only up to a fraction of capacity, and that no mechanics were available to service and repair them.⁶ Moreover, like other institutions of the period designed to promote agricultural efficiency, the hiring-points tended to serve "well-to-do households", which "take the complex machines and for longer periods".⁷ The final verdict on the hiring-points was that they "are not connected with the process of the socialization of the peasant economy, and are on the path of development of a private economy", though it was somewhat doubtfully claimed that they "possess the conditions for their transformation into machine stations".⁸

¹ *KPSS v Rezolyutsiyakh* (1954), ii, 182; for this resolution see *Socialism in One Country, 1924-1926*, Vol. 1, pp. 307-308.

² V. Danilov, *Sozdanie Material'no-Tekhnicheskikh Predposylok Kollektivizatsii* (1957), pp. 227-228.

³ *Ekonomicheskoe Obozrenie*, No. 12, 1929, p. 153; the sharp rise in 1928 was due partly to a decision to establish 1000 new hiring-points, 895 of them in the large grain-growing regions (V. Danilov, *Sozdanie Material'no-Tekhnicheskikh Predposylok Kollektivizatsii* (1957), p. 236).

⁴ *KPSS v Rezolyutsiyakh* (1954), ii, 478.

⁵ *Sobranie Zakonov*, 1928, No. 12, art. 106.

⁶ *Na Agrarnom Fronte*, No. 4, 1929, p. 23; No. 7, 1929, p. 18; No. 8, 1929, p. 12. An enquiry by Rabkrin in the winter of 1928-1929 showed that no organization had yet been set up for the supply of spare parts for machines (*Ekonomicheskoe Obozrenie*, No. 2, 1929, p. 16).

⁷ *Na Agrarnom Fronte*, No. 7, 1929, p. 18.

⁸ *Ekonomicheskoe Obozrenie*, No. 12, 1929, pp. 165, 168-169.

Every problem and every controversy aroused by the distribution of agricultural machines appeared in a magnified form in relation to the tractor. The first tractors apparently went to those who could afford to pay for them; *Pravda* complained in the summer of 1926 that in the crucial North Caucasian region the available tractors had gone to well-to-do peasants.¹ On July 17, 1926, STO requested the economic authorities of the republics to exercise "strict control" in order to ensure that "priority should be given to collective users of tractors", and on December 3, 1926, issued a specific instruction to sell tractors only "(a) to state and cooperative institutions and enterprises, (b) to peasant collectives (communes, agricultural artels, machine and land improvement societies)".² But these edicts were evidently ineffective. An all-Russian conference of tractor workers convened by Sel'skoysoyuz in February 1927 condemned a "commercial deviation" in the distribution of tractors, and approved the limitation of the supply of tractors to kolkhozy, cooperatives and Sovkhozy.³ In the same month a decree was passed giving to the organs of Narkomtorg exclusive control over the supply of tractors.⁴ A decree of June 1, 1927, offered improved credit terms for the purchase of tractors to poor peasant collectives; and a decree of the RSFSR of October 24, 1927, gave local land authorities power to veto sales of tractors to private persons.⁵ These measures did not immediately redress the balance which had been tilted in favour of the *kulak* at an earlier stage. Such statistics as were available showed a disproportionate number of tractors still in the hands of well-to-do peasants, especially in the great grain-growing regions. Early in 1927, the Volga German republic, an area with a high proportion of well-to-do peasants, was already well equipped with tractors.⁶ In the North Caucasian region 25 per cent of the

¹ *Pravda*, August 12, 1926; see, however, p. 209 below.

² *Sobranie Zakonov*, 1926, No. 48, art. 358; No. 77, art. 633.

³ Quoted from the published record of the conference, which has not been available, in V. Danilov, *Sozdanie Material'no-Tekhnicheskikh Predposylok Kollektivizatsii* (1957), pp. 303-304; *Pravda*, January 11, 1927, announced the conference for January 20.

⁴ *Sobranie Zakonov*, 1927, No. 11, art. 118.

⁵ *Ibid.* No. 35, art. 349; *Sobranie Uzakonenii*, 1927, No. 115, art. 768.

⁶ *SSSR: 4 S"ezd Sovetov SSSR* (1927), p. 490; the republic had its own tractor factory (see p. 448 below).

tractors working in 1927 belonged to well-to-do peasants.¹ Even where the tractors were owned by cooperative machine societies, the cooperative principle was often weak, since the societies "serve both members and non-members, charging one and the same price for work done". Nor did they always do much to promote collective cultivation, since tractors were as a rule used "not collectively, but by each member individually".² At the fifteenth party congress in December 1927 Chubar took a line rarely heard in public discussion (though more often, perhaps, in private): since sufficient credits were not available for all, and since only well-to-do peasants could afford to buy tractors outright, refusal to sell to well-to-do peasants meant to curtail the supply: this was "a most harmful, reactionary policy", which had already meant an artificial slowing up in supply.³ About the same time a critic sadly observed that tractors "continually turn out to be an instrument of social differentiation rather than an instrument of the socialization of agriculture";⁴ and *Pravda* passed a still more categorical verdict:

Again and again tractor-owners have sown grain only in minimum quantities, but reaped it in thousands of puds, thanks to the exploitation of their tractors on the holdings of others.⁵

Some progress was nevertheless made in the policy of concentrating the supply of tractors on the socialized or cooperative sector of agriculture. A decree of June 15, 1928, provided that tractors should be supplied, first, to Sovkhozy, kolkhozy and "hiring-points", and, secondly, to machine societies, peasant committees of mutual aid and "other unions of peasants".⁶ Sovkhoz and tractor increasingly proved to be instruments of the same policy, and supported each other. The resolution on the Sovkhozy adopted by the party central committee in July 1928 cited the example of the Shevchenko Sovkhoz and associated

¹ V. Danilov, *Sozdanie Material'no-Tekhnicheskikh Predposylok Kollektivizatsii* (1957), p. 418; *Na Agrarnom Fronte*, No. 10, 1927, p. 138; No. 5, 1928, p. 110.

² *Ibid.* No. 3, 1928, pp. 105, 109; these examples came from Leningrad province. The complaint that many machine societies were in the hands of kulaks was heard as late as 1929 (*Bednota*, January 19, 1929).

³ *Pyatnadsatyi S"ezd VKP(B)* ii, (1962), 998-999.

⁴ *Planovoe Khozyaistvo*, No. 12, 1927, p. 62.

⁵ *Pravda*, April 4, 1928.

⁶ *Sobranie Zakonov*, 1928, No. 41, art. 375.

the development of the "new grain Sovkhozy" with intensive mechanization.¹ An "overwhelming majority" of kolkhozy in the spring of 1928 still, however, had no tractor.² Statistics showed that the proportion of tractors held by individual owners, which stood at 10.8 per cent in 1926 and 9 per cent in 1927, fell to 5.2 per cent in 1928 and 0.5 per cent in 1929. In the same period the proportion held by Sovkhozy rose from 14.3 and 16 per cent in 1926 and 1927 respectively to 22.8 and 25.5 per cent in 1928 and 1929.³ In regions unsuited to the development of the new large-scale Sovkhozy, the number of tractors increased less rapidly: the Central Black-Earth region had 2763 in 1926-1927, 3063 in 1928, and 3710 in 1929.⁴

Increasing importance was attached to the collective use of groups of tractors. The single tractor for the individual peasant household was plainly not an economic proposition. Either continuous work could not be found for it; or it broke down and, in the absence of replacements and spare parts, disorganized production.⁵ Only the unit large enough to employ several tractors was suited to this high degree of mechanization. The earliest

¹ For this resolution see p. 189 above.

² *Pravda*, May 24, 1928. Statistics of tractors and other machines held by kolkhozy in 1928 are quoted in *Postroenie Fundamenta Sotsialisticheskoi Ekonomiki v SSSR* (1960), p. 293; the number of tractors is given as 9586. (This compared with a total tractor park at this date of 26,700: see Table No. 10, p. 945 below.) On June 1, 1929, kolkhozy had 13,409 tractors (*Kolkhozy SSSR: Statisticheskii Spravochnik* (1929), p. 43, Table 18). These figures did not include tractor columns or tractors held by hiring-points, some of which also served kolkhozy. Statistics in *Na Agrarnom Fronte*, No. 10, 1929, p. 18 showed that, while kolkhozy began to use tractors on a significant scale earlier than the Sovkhozy, the Sovkhozy rapidly overhauled the kolkhozy after 1927. According to *Puti Pod'ema i Sotsialisticheskoi Rekonstruktsii Sel'skogo Khozyaistva*, ed. M. Latsis and I. Litvinov (1929), p. 281, no Sovkhoz except Shevchenko had tractor columns before 1929, and the main credit for their development in 1928 rested with the agricultural cooperatives (probably meaning kolkhozy); this result was achieved by collecting tractors previously assigned to small kolkhozy which could not operate them economically (*ibid.* p. 283). In Kazakhstan acute rivalry occurred between Sovkhozy and kolkhozy for the possession of tractors; the party central committee had to intervene to moderate the enthusiasm of local party authorities who wanted to reserve all tractors for the Sovkhozy (*ibid.* p. 297).

³ V. Danilov, *Sozdanie Material'no-Tekhnicheskikh Predposylok Kollektivizatsii* (1957), p. 309.

⁴ *Istoricheskie Zapiski*, li (1955), 201.

⁵ It was calculated that tractors on individual holdings worked on an average for 279 hours a year, those on the MTS for 1238 hours (V. Yakovtsevsky, *Agrarnye Otnosheniya v SSSR* (1964), p. 321).

mention of a "tractor detachment" occurred as early as 1922 in connexion with an American agricultural concession in Siberia.¹ In the next few years tractor detachments were working on an American concession in the northern Caucasus, on concessions of Agro-Joint, the American-Jewish settlement organization, and in the cotton fields of Central Asia.² In August 1927 the Shevchenko Sovkhoz received instructions from the Ukrainian Narkomzem to organize work by tractors on surrounding land in order to bring it into cultivation. The first "tractor column" was formed by the Shevchenko Sovkhoz for this purpose in the autumn of 1927, when 12 tractor drivers and a handful of auxiliary workers sufficed to plough 2800 desyatins of virgin soil, and contracts were concluded to plough a further 5000 desyatins of newly settled land.³ When, at the fifteenth party congress in December 1927, Krzhizhansky spoke enthusiastically of the example of the Shevchenko Sovkhoz and of the prospects of the tractor,⁴ when Stalin exclaimed that with "more such examples" a great advance could be made in the work of collectivization,⁵ and when the congress commended the organization of tractor columns by Sovkhozy,⁶ the success of the new name and the new institution was assured. In the spring of 1928 the Shevchenko Sovkhoz had 14 tractor columns with 68 tractors working on surrounding farms, payment for ploughing by tractor being one-quarter of winter-sown or one-third of spring-sown crops. It was reported to be "overwhelmed by requests for contracts";⁷ and the example was catching. The first tractor columns other than those of Shevchenko were organized by agreement between Sel'skosoyuz, Khlebotsentr and Kolkhoz-

¹ Lenin, *Sochineniya*, xxvii, 308.

² V. Danilov, *Sozdanie Material'no-Tekhnicheskikh Predposylok Kollektivizatsii* (1957), p. 344.

³ *Ibid.* p. 347; *Planovoe Khozyaistvo*, No. 12, 1927, pp. 63, 66. According to P. Lyashchenko, *Istoriya Narodnogo Khozyaistva SSSR*, iii (1956), 354, the earliest tractor column, consisting of 12 tractors, had been formed by a land community in Odessa province in 1925; *Shestnadtsataya Konferentsiya VKP(B)* (1962), p. 808, note 247, dates the beginning of the Shevchenko experiment from the spring of 1927.

⁴ *Pyatnadtsati S'ezd VKP(B)*, ii (1962), 903-904.

⁵ Stalin, *Sochineniya*, x, 309.

⁶ *KPSS v Rezolyutsiyakh* (1954), ii, 484.

⁷ P. Lyashchenko, *Istoriya Narodnogo Khozyaistva SSSR*, iii (1956), 355; *Izvestiya*, March 18, 1928. Shlikhter reported on the Shevchenko tractor columns in *Pravda*, March 9, 1928.

tsentr in the summer of 1928.¹ Progress was now more rapid. By the spring of 1929 Khlebotsentr had 45 columns with 1222 tractors (the smallest column having 10, the largest 52, tractors), and Sel'skosoyuz a further 12 columns with 261 tractors, including a column with 172 tractors working in the North Caucasian region.² At the end of 1928 tractor columns of three different kinds were in existence — columns attached to Sôvkhozy, columns working under the agricultural cooperatives and columns working independently for land communities.³ Everywhere the tractor column seemed to hold the promise of an advance towards a planned and socialized agriculture. It was suggested that "the formation of tractor columns should also solve the question of the mobilization of marketable grain".⁴ Kalinin compared the invention of the tractor column with the fall of the apple which revealed to Newton the law of gravitation.⁵

The campaign for tractor columns, launched at the moment of the "offensive against the *kulak*", and designed to take the tractor out of the hands of the individual well-to-do peasant household and pave the way for collective farming, had revolutionary implications for the countryside. An enthusiastic commentator claimed that the advent of the tractor column had unleashed "a frenzied class struggle between different social groups of

¹ *Bol'shevik*, No. 1, January 15, 1929, p. 48; V. Danilov, *Sozdanie Material'no-Tekhnicheskikh Predposylok Kollektivizatsii* (1957), p. 357.

² *Na Agrarnom Fronte*, No. 2, 1929, p. 72; No. 7, 1929, p. 23; the 45 are listed in V. Danilov, *Sozdanie Material'no-Tekhnicheskikh Predposylok Kollektivizatsii* (1957), pp. 434-436. *Ekonomicheskoe Obozrenie*, No. 6, 1929, p. 98, gives a total of 56 columns with 1496 tractors in the spring of 1929; this figure was for the RSFSR alone, and did not include 14 columns in the Ukraine (*Ekonomicheskaya Zhizn'*, June 27, 1929).

³ A. Gaister, *Dostizheniya i Trudnost i Kolkhoznogo Stroitel'stva* (1929), p. 54.

⁴ *Puti Pod'ema i Sotsialisticheskoi Rekonstruktsii Sel'skogo Khozyaistva*, ed. M. Latsis and I. Litvinov (1929), p. 294.

⁵ *Shestnadsataya Konferentsiya VKP(B)* (1962), p. 291. Where tractors were not yet available, example inspired the formation of "horse columns" on a similar basis (*Izvestiya*, March 12, 1929). "Machine-and-horse societies", which, pending mechanization, arranged for the collective use of animals to draw machines, came into existence at this time; 400 were reported in the spring of 1929, including 114 in the North Caucasian region (S. Trapeznikov, *Istoricheskii Opyt KPSS v Sotsialisticheskoi Preobrazovanii Sel'skogo Khozyaistva* (1959), p. 101). T. D. Campbell, *Russia: Market or Menace?* (N.Y., 1932), pp. 72-73, refers to "horse-drawn machinery stations", parallel to the MTS and using standardized machines, as in existence in 1929 or 1930.

peasants".¹ This does not, however, seem to have been the usual reaction. The well-to-do peasants not only put up a strong resistance on their own account, but were able to appeal to the innate conservatism of other sectors of the peasantry. Widespread suspicion and opposition were evoked by so noteworthy an innovation. A correspondent of the peasant newspaper, who called the tractor "a knife at the *kulak's* throat", reported that *kulaks* were spreading the rumour that fumes from the tractors poisoned the soil, and were quoting an alleged prophecy that "anti-Christ will come to earth on a steel horse".² A village whose land was worked by tractors from the Shevchenko Sovkhoz is said to have stipulated that only International tractors should be used, since these discharged their fumes into the air, whereas Fordson tractors had their exhaust pipe turned towards the ground.³ Doggerel couplets were quoted from the Volga region :

The tractor digs deep, the land dries up ;
Soon all the kolkhozniks will be dead of hunger.⁴

A year later in the same region monks joined *kulaks* in denouncing tractors as "the work of anti-Christ"; and in a village of the Central Black-Earth region Baptists demonstrated against them in a procession with white crosses.⁵ *Kulaks* were accused of throwing nails into seed-drills, and of bribing mechanics to damage tractors.⁶ Peasant scepticism died hard ; some peasants are said to have spent the extra profits derived from the use of tractors on their land in purchasing horses, which still seemed the only reliable instrument of cultivation.⁷ In general, the peasant tended to regard the tractor as "somebody else's business" : the impression prevailed that the tractor column "dictates conditions to the peasants, and it is not the peasants who are responsible for the outcome of the transaction, but the grain cooperatives and the state".⁸ The mistrust of the peasants was sometimes so great

¹ *Na Agrarnom Fronte*, No. 2, 1929, p. 73.

² *Bednota*, May 20, 1928.

³ *Na Agrarnom Fronte*, No. 4, 1929, p. 38.

⁴ A. Angarov, *Klassovaya Bor'ba v Sovetskoi Dereвне* (1929), p. 25.

⁵ *Ekonomicheskoe Obozrenie*, No. 6, 1929, p. 99.

⁶ *Na Agrarnom Fronte*, No. 7, 1929, p. 7.

⁷ *Planovoe Khozyaistvo*, No. 12, 1927, p. 70 ; it was no doubt true that tractors in their early days were more liable than horses to break down.

⁸ *Puti Pod'ema i Sotsialisticheskoi Rekonstruktsii Sel'skogo Khozyaistva*, ed. M. Latsis and I. Litvinov (1929), p. 295.

that they refused water and fuel to tractors sent to plough their own lands.¹

Before long the tractor column itself began to be superseded by the more effective and permanent institution — the machine tractor station (MTS). The first MTS was organized out of the existing tractor columns on the Shevchenko Sovkhoz in 1928; the name is said to have been invented by Markevich, the director of Shevchenko.² An inconclusive meeting was held in the agricultural section of Gosplan in November 1928, at which Markevich put forward his scheme for machine tractor stations. He argued that the most efficient type of MTS would serve from 40,000 to 50,000 hectares, and the capital investment required would be from 70 to 80 rubles per hectare of sown land. Some of those present (notably Makarov and Chelintsev) doubted whether the scheme was economic; others questioned whether it would be accepted by the peasant.³ The framers of the first five-year plan believed that well-to-do peasants, well supplied with horse traction, would be unwilling to accept mechanization, and that it might be necessary "in the interests of our social policy" to exempt their holdings from the services of the MTS.⁴ These fears proved groundless. Within a few months of its formation, the Shevchenko MTS was serving an area of 50,000 hectares comprising 25 villages and some 10,000-12,000 households.⁵

Opposition to the new development came at first from an

¹ *Bol'shevik*, No. 1, January 15, 1929, p. 50; the campaign against the tractor ran parallel to the campaign against the kolkhoz (see pp. 175-176 above).

² *Na Agrarnom Fronte*, No. 2, 1929, p. 70; for the claim to the invention of the name see A. Markevich, *Mezhselelennye Mashino-Traktornye Stantsii* (2nd ed. 1929), p. 17. For Markevich see p. 186 above.

³ *Bednota*, November 20, 1928, which also reported the establishment in a village in the Odessa province of an MTS with 70 tractors serving 15 land communities and 12 kolkhozy with a total area of 17,000 hectares; payment was not in kind (as at Shevchenko), but in money. In the spring of 1929 two of the new grain Sovkhozy — Titusovka in the Ukraine and Khutorok in the North Caucasian region — set up MTS in imitation of Shevchenko (*Puti Pod'ema i Sotsialisticheskoi Rekonstruktsii Sel'skogo Khozyaistva*, ed. M. Latsis and I. Litvinov (1929), p. 281).

⁴ *Pyatiletnii Plan Narodno-Khozyaistvennogo Stroitel'stva SSSR* (1929), ii, i, 277.

⁵ *Na Agrarnom Fronte*, No. 2, 1929, p. 71.

unexpected quarter, and turned on the distinction between the MTS, which, being associated with the Sovkhozy, were state institutions, and the tractor columns, which were cooperative institutions. The central organ of the Ukrainian cooperatives, in spite of a "clear decision" by the central committee of the Ukrainian party, led the campaign against the MTS.¹ Markevich argued that the issue between state and cooperatives was irrelevant. But, while he made respectful mention of "Lenin's cooperative plan", he emphasized that "*a strengthening of direct state influence and participation in the fundamental productive activity of our national economy — agricultural production — is absolutely necessary*".² In November 1928 a worker in the Ukrainian kolkhoz movement made a violent attack in a Ukrainian journal on the Shevchenko MTS, denouncing the attempt to "replace the cooperative principle by the state principle, and thus drive the party . . . from the correct Leninist path".³ But, after these attacks had continued for some time,⁴ authority evidently intervened, and opposition was ascribed to "the top level of the agricultural cooperatives infected by the old bourgeois cooperatives".⁵

These petty jealousies soon lost their importance. What decided the issue was that the MTS worked from the first on a larger scale than the single tractor or the tractor column, and was more definitely committed to the principle of large-scale collective cultivation. Distinctions between state and cooperative institutions, or between Sovkhozy and kolkhozy, were no longer significant. At the sixteenth party conference in April 1929 Shlikhter elaborated the new philosophy of the MTS, arguing that, in order to reconstruct agriculture on socialist lines, it was essential "to keep in the hands of the state the control and management of the sources of energy"; the chief of these were electricity and the tractor. Tractors should be supplied only to collectives and only

¹ *Puti Pod'ema i Sotsialisticheskoi Rekonstruktsii Sel'skogo Khozyaistva*, ed. M. Latsis and I. Litvinov (1929), pp. 299-300.

² A. Markevich, *Mezhseleennye Mashino-Traktornye Stantsii* (2nd ed. 1929), p. 280.

³ Quoted in *Na Agrarnom Fronte*, No. 4, 1929, pp. 34-35; a movement was later attributed to "bourgeois Ukrainian nationalists" to oppose the formation of tractor columns on the ground that they served the interests of kulaks (*Problemy Istochnikovedeniya*, iv (1955), 77).

⁴ *Bol'shevik*, No. 1, January 15, 1929, p. 52; *Na Agrarnom Fronte*, No. 2, 1929, pp. 73-78, 95.

⁵ *Ibid.* No. 4, 1929, p. 36.

on such conditions as the guarantee of a minimum sown area and the delivery of all marketable surpluses to the state.¹ A mild protest by a spokesman of the cooperatives that the MTS were not "the only road" to a socialized agriculture,² was disregarded. The conference resolution, sweeping aside the formal distinction between state and cooperative institutions, called for "the development of a broad network of state and cooperative *machine tractor stations*", as one method of socializing "the most important productive processes of the whole mass of individual households".³ In essence it was clear that the state MTS had won a victory over the cooperative tractor column.⁴ The voluntary character of the MTS was constantly stressed.⁵ But Markevich drew attention to the need for "*the strictest labour discipline*, which must in no event be weakened by the consciousness of equality of rights of individual members or of the voluntary character of the union"; the peasant must learn to regard himself not as "an individual farming independently", but as the member of a large-scale productive organization.⁶ One of the features of the newly created MTS was "an annual plan of production drawn up for each village by the agronomist of the station with the participation of the peasants", and submitted for confirmation to the general assembly of peasants. Every MTS was to convene periodically a general assembly to discuss questions of production, and to set up a council of peasant representatives to receive reports from the director of the station.⁷

The campaign in support of the MTS soon became an integral part of the campaign to collectivize agriculture and to increase its productivity. Collectivization, declared Rykov, meant mechanization: "to construct a kolkhoz on the basis of the wooden plough would be to discredit the work of socialization and ruin

¹ *Shestnadsataya Konferentsiya VKP(B)* (1962), pp. 306-307; according to Shlikhter this idea had been taken up at the session of the Ukrainian party central committee which preceded the conference.

² *Ibid.* p. 381.

³ *KPSS v Rezolyutsiyakh* (1954), ii, 580.

⁴ *Puti Pod'ema i Sotsialisticheskoi Rekonstruktsii Sel'skogo Khozyaistva*, ed. M. Latsis and I. Litvinov (1929), p. 287, mentions a decision of the party central committee to take the distribution of new tractors out of the hands of the cooperative organ, Khlebotsentr.

⁵ See p. 267 below.

⁶ A. Markevich, *Mezhselelennye Mashino-Traktornye Stantsii* (2nd ed. 1929), pp. 46-47.

⁷ *Ibid.* pp. 48, 287-289.

the whole affair".¹ "Land communities" served by the MTS automatically converted themselves into kolkhozy of the TOZ pattern, and were registered as such; and the MTS also fostered the movement for larger and more powerful kolkhozy.² A speaker at the sixteenth party conference in April 1929 instanced a district in the Central Black-Earth region, where a tractor column had been a means of uniting 14 land communities in a working unit and bringing about the transition to a multi-field rotation, and where previously there had been only the three-field rotation, the wooden plough and "hundreds of scattered small peasant households".³ According to the perhaps optimistic calculations of the Shevchenko MTS, the peasant could afford to pay the equivalent of one-quarter or one-third of his harvest to the MTS for its work, and still retain as much grain — if not more — as he would have had if he had tilled the land with his own animals and implements.⁴ Poor peasants were said to be able to get credits covering payment of any tractor work done for them, and middle peasants up to 50 per cent, while well-to-do peasants paid on the spot;⁵ since most of the work was done for land communities or other groups or societies,⁶ it is not clear how this discrimination worked. The formation of the MTS, as of the tractor columns, was said to have encountered strong *kulak* resistance, and took place "in conditions of *embittered class warfare*".⁷

The black spots in the picture were mainly technical. The teething troubles of so novel an experiment were formidable. A foreign observer in 1928 spoke of "the reckless treatment of machinery on all the socialized lands", and of "fleets of disabled

¹ *SSSR : 5 S"ezd Sovetov* (1929), No. 7, p. 8.

² *Na Agrarnom Fronte*, No. 11-12, 1929, pp. 146-147.

³ *Shestnadsataya Konferentsiya VKP(B)* (1962), p. 404.

⁴ *Na Agrarnom Fronte*, No. 2, 1929, p. 73. The normal payment for ploughing land by tractor was in kind — from 25 to 40 per cent of the crop, the highest rate being justified only for the ploughing of virgin land; this method was preferred to monetary payment on the ground that it was desirable "to free the peasant from unnecessary doubts and risk" (*Puti Pod"ema i Sotsialisticheskoi Rekonstruktsii Sel'skogo Khozyaistva*, ed. M. Latsis and I. Litvinov (1929), p. 295).

⁵ *Na Agrarnom Fronte*, No. 4, 1929, p. 39.

⁶ Only 1.6 per cent of the units served by the Shevchenko MTS were of less than 3 hectares, 86 per cent were of more than 9 hectares; 84.9 per cent were kolkhozy (*ibid.* No. 11-12, 1929, pp. 144, 146).

⁷ A. Markevich, *Mezhselelennye Mashino-Traktornye Stantsii* (2nd ed. 1929), pp. 63-64, 246.

tractors" which "dot the Russian landscape".¹ In Samara province tractors were said to be standing idle for lack of funds to buy fuel: credits had been granted to purchase the machines, but not for running costs. Spare parts were available, if at all, only at one or two points in each province.² An even more serious defect was the shortage of trained personnel, especially skilled tractor drivers and mechanics. In 1927 an instructor was said to be available for every 35 or 40 tractors.³ But a speaker at the sixteenth party conference in April 1929 remarked that "a large tractor column is sometimes headed by a school-teacher who has never studied agronomy or agriculture".⁴ Markevich stressed the shortages, but rejected the argument that the formation of further MTS should be postponed till personnel had been trained.⁵

Between 1926 and 1929, substantial progress could be recorded in the supply of implements, machinery and tractors to the countryside. Domestic production of agricultural implements had more than doubled in the period from 1925-1926 to 1928-1929.⁶ The proportion of wooden ploughs in use in the countryside fell from 46.5 per cent in 1924 to 28.5 per cent in 1929.⁷ The number of tractors had risen by stages from 2560 in 1924 to 34,943

¹ M. Hindus, *Red Bread* (1931), p. 335; for a general review of early tractor troubles see *Na Agrarnom Fronte*, No. 11-12, 1929, pp. 149-150; *Puti Pod'ema i Sotsialisticheskoi Rekonstruktsii Sel'skogo Khozyaistva*, ed. M. Latsis and I. Litvinov (1929), p. 98.

² *Na Agrarnom Fronte*, No. 5, 1928, pp. 109-110; the control figures for 1927-1928 had already noted the need to set up "a state network of repair shops for machines and equipment" (*Kontrol'nye Tsifry Narodnogo Khozyaistva SSSR na 1927-1928 god* (1928), p. 140).

³ *Na Agrarnom Fronte*, No. 10, 1927, p. 138.

⁴ *Shestnadsataya Konferentsiya VKP(B)* (1962), p. 337.

⁵ A. Markevich, *Mezhselelennye Mashino-Traktornye Stantsii* (2nd ed. 1929), pp. 262-263; the first five-year plan estimated requirements of trained personnel during the five-year period at 200,000 tractor-drivers and 50,000 mechanics (*Pyatiletnii Plan Narodno-Khozyaistvennogo Stroitel'stva SSSR* (1929), i, 79).

⁶ See Table No. 16, p. 951 below.

⁷ V. Danilov, *Sozдание Material'no-Tekhnicheskikh Predposylok Kollektivizatsii* (1957), p. 387. According to Vesenkha figures, 1.2 million iron ploughs were produced in 1927-1928 (*Ekonomicheskaya Zhizn'*, September 22, 1928). The number of wooden ploughs in use is said to have fallen from 4,581,400 in 1928 to 4,183,900 in 1929; the number of iron ploughs rose from 13,935,000 to 14,704,300 in the same period (*Sdvigi v Sel'skom Khozyaistve SSSR* (2nd ed. 1931), p. 109).

in 1929 ; of the latter total 9678 were held by Sovkhozy and 2387 organized in MTS. In 1926 1·7 per cent of the motive power of Soviet agriculture was mechanical ; in 1929 the percentage had risen to 2·8, though in the latter year the corresponding percentages in the Sovkhozy and kolkhozy were 60 and 62·3 respectively.¹ These figures illustrated the close connexion between mechanization and collectivization. Party writers harped constantly on this theme. "Collectivization without technical equipment", wrote a commentator in the autumn of 1928, "would be a real martyrdom."² Yet the figures also showed how small a part of Soviet agriculture in 1929 could yet rely on mechanical power. Of the area under grain in 1928, 10 per cent had still been ploughed with the wooden plough and three-quarters sown by hand ; half the crop had been harvested with scythe and sickle, and 40 per cent of it threshed by hand.³ Kubyak observed in November 1928 that the prospect of abolishing the wooden plough even in three years' time was dubious : "we do not have enough metal".⁴ The vision conjured up by the framers of the five-year plan of production rising rapidly enough, under the impetus of mechanization, to permit of extensive grain exports, which would in turn finance the importation of more and more tractors,⁵ proved a utopian dream. The argument that mechanization provided the necessary basis for the struggle against the *kulak* ⁶ was double-edged. The mechanical base from which party and government set out at the end of 1929 on the path of mass collectivization was still wretchedly small.

¹ *Sotsialisticheskoe Stroitel'stvo SSSR* (1934), pp. 166-167 ; for slightly different figures see *Na Agrarnom Fronte*, No. 10, 1929, p. 16. Of 26,940 tractors in the RSFSR in 1929 65 per cent were in the North Caucasian and Lower and Middle Volga regions where most of the new large-scale Sovkhozy and kolkhozy were to be found (*Voprosy Istorii KPSS*, No. 4, 1962, p. 56).

² *Na Agrarnom Fronte*, No. 9, 1928, p. 4 ; for a further development of this argument see *Planovoe Khozyaistvo*, No. 2, 1929, p. 103.

³ *Bol'shevik*, No. 2, January 31, 1930, p. 34 ; Gosplan figures in *Itogi Pervogo Pyatiletnego Plana* (1933), p. 135, showed a somewhat higher proportion of machines.

⁴ *III Sessiya Vserossiiskogo Tsentral'nogo Ispolnitel'nogo Komiteta XIII Sozyva* (1928), No. 6, p. 28.

⁵ *Pyatiletnii Plan Narodno-Khozyaistvennogo Stroitel'stva SSSR* (1929), ii, i, 277 ; a later commentator remarked that "the road from the wooden plough to the tractor" had been "only half travelled" even at the end of the first five-year plan (*Istoriya Sovetskogo Krest'yanstva i Kolkhoznogo Stroitel'stva v SSSR* (1963), pp. 201-202).

⁶ *Bol'shevik*, No. 11, June 15, 1929, p. 32.

CHAPTER 9

THE CONTRACT SYSTEM

A SYSTEM of marketing which began to acquire great importance at this time was the so-called *kontraktatsiya*, or buying on contract. Before the revolution sugar factories had been in the habit of contracting in advance with the growers to take their crops of beet at a price laid down in the contract. The same practice was followed after the revolution by the Sugar Trust with the important change that the beet now changed hands at official prices.¹ In 1923 *kontraktatsiya* was applied to cotton-growing in Central Asia, and by 1926-1927 had become virtually universal in this field.² During the same period it was extended to such other "technical" crops as flax, sunflower seeds, soya beans, tobacco and potatoes (for distillation of spirit and for starch). In 1927 it was applied for the first time on a small scale to the more important grain crops — wheat, barley, oats and maize.³ Since the contracts were frequently concluded, not with individual peasant households, but with agricultural cooperatives, already existing or formed *ad hoc*, acting on their behalf, and since the contracts commonly included stipulations for the supply of seeds, and sometimes also of machines,⁴ the collective element soon entered into the procedures of *kontraktatsiya*. Molotov at the

¹ The conditions of *kontraktatsiya* for sugar-beet were laid down in a decree of 1921 (*Sobranie Uzakonenii*, 1921, No. 51, art. 283).

² *Na Agrarnom Fronte*, No. 6-7, 1928, p. 60; *Voprosy Istorii*, No. 4, 1953, p. 24.

³ *Na Agrarnom Fronte*, No. 6-7, 1928, p. 41; in 1928 distillers were prohibited from concluding contracts for potatoes in the beet-growing regions of the Ukraine for fear that potatoes might displace sugar-beet (*ibid.* No. 4, 1929, p. 17).

⁴ For a detailed description of the system see *ibid.* No. 11-12, 1927, pp. 45-46; the statement *ibid.* No. 7, 1929, p. 29, that in the spring of 1928 most contracts were with individual households, is contradicted by figures quoted in *Puti Pod'ema i Rekonstruktsii Sel'skogo Khozyaistva*, ed. M. Latsis and I. Litvinov (1929), p. 89, which show only 11 per cent of contracts with individual households at that time.

fifteenth party congress in December 1927 spoke with enthusiasm of the development of *kontraktatsiya*, which now embraced nearly 2 million peasant households (900,000 for sugar-beet, 750,000 for cotton and 150,000 for sunflower seed), and described the system as "one of the most important conditions for the development of planning in agriculture and for the growth of elements of large-scale socialized production in the countryside".¹ By 1929 80 per cent of the beet crop was covered by *kontraktatsiya*, and a beginning had been made with *kontraktatsiya* for fruit and vegetables.²

The difficulties of the grain collections early in 1928 led to the widespread introduction of *kontraktatsiya* for grain. In the spring of that year a campaign conducted by Khlebotsentr, the organ of the agricultural cooperatives, led not only to the formation of 8000 seed societies, but to the conclusion of contracts for grain covering two million hectares; the only complaint was that some of these had been concluded too late.³ On July 21, 1928, after the party central committee had adopted an anxious resolution on the grain collections,⁴ Sovnarkom issued a decree providing for *kontraktatsiya* for autumn sowings of grain over 5 million hectares (including 3,600,000 in the RSFSR, 1,250,000 in the Ukraine, 100,000 in Central Asia, and 25,000 each in White Russia and Transcaucasia). Contracts, which were not restricted to individual holdings, but might cover "whole land communities" or "producer unions", were to be made exclusively through the cooperatives, and the grain was to be at the disposal of Narkomtorg. Advances were to be granted to growers at an average rate of 8 rubles per hectare at 6 per cent interest. Deliveries of grain were to be not less than double the amount of the advance received, and bonuses were to be paid for punctual delivery and high quality. The principal innovation of the decree was an offer of long-term

¹ *Pyatnadsyati S'ezd VKP(B)*, ii (1962) 1199.

² *Na Agrarnom Fronte*, No. 10, 1929, pp. 31-32.

³ *Bednota*, May 17, 1928. An article in *Bol'shevik*, No. 19, October 15, 1928, pp. 51-61, described "the first experiment in massive grain *kontraktatsiya*", which took place in the summer of 1928 under the auspices of Khlebotsentr; for the continuation of the process see *ibid.* No. 1, January 15, 1929, p. 35. Figures for the RSFSR quoted from unpublished archives give 5008 seed societies on December 1, 1928, 12,452 on April 1, 1929, and 19,033 on July 1, 1929 (*Postroenie Fundamenta Sotsialisticheskoi Ekonomiki v SSSR* (1960), p. 283).

⁴ See p. 80 above.

contracts covering more than one harvest: these were to be "directed to the planned transformation of grain-growing with the gradual socialization of production".¹ This was supplemented by a decree of the RSFSR of August 2, 1928, which spoke of introducing *kontraktatsiya* "by the cluster method and in solid masses, by embracing the total sowing area of special crops, of whole communities and of groups of individual households".² The first five-year plan which was drafted at this time contemplated a "*mass process of kontraktatsiya*", and a transition from "agreements with small groups of peasants" to "contracts with large seed societies and whole land communities" and from short-term to long-term agreements.³ In the control figures for 1928-1929, it was calculated that 12 per cent of the area of the USSR under crops and about 30 per cent of all peasant households (7-8 millions) were already covered by *kontraktatsiya*, the average advance ranging from 30 to 40 rubles.⁴ In 1928 *kontraktatsiya* was said to have led, in the RSFSR alone, to the creation of 3987 new kolkhozy, 4955 grain cooperatives and 1385 machine societies.⁵

So novel a system was unlikely at first to work smoothly. *Kontraktatsiya* for technical crops had as a rule been carried out by the industrial organization making use of them (e.g. the Sugar Trust) through the corresponding central organ of the agricultural cooperatives. When *kontraktatsiya* for grain began in the spring of 1928, it was carried out almost exclusively through the cooperative organ, Khlebotsentr. But, when *kontraktatsiya* for grain was introduced on a mass scale in the autumn of 1928, and soon exceeded *kontraktatsiya* for all other crops, the central state organs, Khleboprodukt and its successor Soyuzkhléb, and local state trading organs entered the fray, often working through local cooperative societies and ignoring Khlebotsentr, and were closely followed by Gosbank, working through the agricultural credit cooperatives. Narkomtorg, supporting the state organs, and

¹ *Sobranie Zakonov*, 1928, No. 46, art. 412; for the final figure of over 6 million hectares for 1927-1928 see Table No. 11, p. 946 below.

² *Sobranie Uzakonenii*, 1928, No. 113, art. 705; this was elaborated in a further decree two months later (*ibid.* No. 136, art. 887).

³ *Pyatiletnii Plan Narodno-Khozyaistvennogo Stroitel'stva SSSR* (1929), ii, i, 286.

⁴ *Kontrol'nye Tsifry Narodnogo Khozyaistva SSSR na 1928-1929 god* (1929), p. 247.

⁵ *Istoricheskie Zapiski*, xxxix (1952), 14.

Narkomzem, supporting Khlebotsentr, were quickly at loggerheads; and both were accused of "insufficient appreciation of the rôle played in *kontraktatsiya* by the agricultural cooperatives", though it was admitted that Khlebotsentr was often the aggressor in these quarrels.¹ An article in the peasant newspaper in the spring of 1929 alleged that *kontraktatsiya* was being ruined by the plethora of authorities claiming to control it;² this situation was partly responsible for delays which were an incessant source of complaint. The process of contracting for autumn sowings began in August 1928 and for spring sowings in March 1929 — in both cases too late.³ The theme was taken up again by speakers at the sixteenth party conference, who complained of the number of "directives about *kontraktatsiya* which are scattered over the broad expanses of our Union"; frequent changes of plan were said to "discredit the prestige of the contracting authorities in the eyes of the peasantry".⁴ The rising price of grain on the free market is likely to have been another source of trouble. Of grain due for delivery under contract after the harvest of 1928 only 30 per cent had been received on November 15, 1928, and only 50 per cent a month later.⁵

Plans for the 1929 harvest included a largely increased application of *kontraktatsiya* to the grain harvest. A table was drawn up showing the percentages of the total harvest of the principal crops covered by *kontraktatsiya* and targets became steadily more ambitious throughout the year. While the control figures for 1928–1929 had provided for an increase of some 60 per cent in the area under *kontraktatsiya* for grain, a three-fold increase was realized; and the area under *kontraktatsiya* for technical crops increased by 50 per cent.⁶ Part of this increase was achieved without additional strain on the credit system by the introduction of "*kontraktatsiya* without advances", the *quid pro quo* being the payment for deliveries under this system of prices substantially higher than the official prices. Of 14 million hectares of spring-sown grain covered by contract in 1929 more than half was subject

¹ The fullest account of these troubles is in an article in *Na Agrarnom Fronte* No. 7, 1929, pp. 26–42.

² *Bednota*, April 2, 1929.

³ *Na Agrarnom Fronte*, No. 7, 1929, pp. 31–32.

⁴ *Shestnadtsataya Konferentsiya VKP(B)* (1962), pp. 87, 358.

⁵ *Na Agrarnom Fronte*, No. 7, 1929, p. 29.

⁶ See Table No. 11, p. 946 below.

to contracts of this kind.¹ The purpose of this system was frankly described as being "to subject the private-capitalist elements in agriculture to state control";² and it may be surmised that "*kontraktatsiya* without advances" approximated rather to a command than to an agreement. Pressure was admittedly required in order to bring in the grain on time, and local authorities were blamed for excessive indulgence to peasants in arrears with their deliveries.³ Mikoyan's eulogy of *kontraktatsiya* as "a two-sided agreement between the state and the small commodity producer, under which the state gives the latter definite orders to produce . . . and assumes responsibility for satisfying *the orders of the village to supply it with means of production and consumption*",⁴ begged too many questions to carry conviction to the peasant.

The policy of social discrimination which set in after the proclamation of the offensive against the *kulak* at the fifteenth party congress in December 1927 also affected *kontraktatsiya*. A decree of STO of January 23, 1928, provided for differential rates of advance to three categories of peasants under *kontraktatsiya*; in practice, collectives received from 35 to 60 per cent of the value of their prospective crop, poor peasants 30 to 40 per cent, middle peasants 25 to 30 per cent. Advances were either free of interest or carried interest at not more than 8 per cent per annum.⁵ In general, *kontraktatsiya* was described as marking out "*new methods of an economic offensive against the kulak*";⁶ and the

¹ *Na Agrarnom Fronte*, No. 7, 1929, p. 37, where scepticism is expressed about the effectiveness of "*kontraktatsiya* without advances"; according to *Puti Pod'ema i Sotsialisticheskoi Rekonstruktsii Sel'skogo Khozyaistva*, ed. M. Latsis and I. Litvinov (1929), p. 115, the area under grain covered by *kontraktatsiya* was twice as great in 1928-1929 as in 1927-1928, but the total of advances increased only by some 45 per cent.

² *Pravda*, April 19, 1929.

³ *Na Agrarnom Fronte*, No. 7, 1929, p. 38.

⁴ *Bol'shevik*, No. 15, August 15, 1929, p. 21.

⁵ *Ekonomicheskoe Obozrenie*, No. 5, 1928, pp. 31-32; see also *ibid.* No. 4, 1928, pp. 95-96 for an order of Narkomtorg evidently based on this decree. According to a description of the working of the scheme in the North Caucasian region the *kulak* received an advance of 5 rubles per desyatina, the middle peasant of 8 rubles, the poor peasant of 12 rubles (furnished, in this case, in kind); the *kulak* had to deliver in grain four times the value of the advance received, the middle peasant two-and-a-half times, the poor peasant one-and-a-half times (*Shestnadtsataya Konferentsiya VKP(B)* (1962), pp. 360-361).

⁶ *Puti Pod'ema i Sotsialisticheskoi Rekonstruktsii Sel'skogo Khozyaistva*, ed. M. Latsis and I. Litvinov (1929), p. 95.

kulaks, not surprisingly, were reported to be resisting *kontraktatsiya* and warning the peasants against it.¹ But the same incompatibility between social differentiation and short-term practical advantage, which had dogged the work of the credit cooperatives and the supply of tractors,¹ reappeared in the context of *kontraktatsiya*. Whatever system was tried, the basic dilemma of the inability of the poor peasant to produce surpluses and the superior credit-worthiness of the well-to-do peasant remained unescapable. When STO, in a decree of December 14, 1928, fixed the amount of credits available for *kontraktatsiya* of different crops, the previous stipulation that a higher rate of advances was to be available to poor peasants was significantly qualified by the proviso that contracts could be concluded only with households "which are really in a position to produce for the market on the scale laid down in the contract";³ and, in granting credits for the spring sowings of 1929, the three-tier system adopted in 1928 was modified and only two maximum rates were laid down — a standard maximum and a 50 per cent supplement for poor peasants.⁴ Kalinin at the sixteenth party conference in April 1929 reproached those who wanted to turn *kontraktatsiya* into a relief organization by making advances to poor peasants who would never be able to deliver the grain.⁵ The question of the applicability of *kontraktatsiya* to the *kulaks* proved as thorny as the problem of their admission to the kolkhozy.⁶ At the sixteenth party conference in April 1929 Lominadze wanted to enforce it as an obligatory means of pressure on the *kulaks*; another delegate doubted whether contracts involving credits should be concluded with *kulaks*, and thought that *kontraktatsiya* was being treated in two different and incompatible ways: as a means of building up a socialist economy through a system of producer cooperatives, and as a means of obtaining maximum immediate supplies of grain.⁷ In the spring of 1929 Narkomtorg and Khlebotsentr issued an order describing it as "inopportune" to conclude contracts, even with-

¹ *Na Agrarnom Fronte*, No. 7, 1929, p. 32.

² See pp. 155-157, 208 above.

³ *Sobranie Zakonov*, 1929, No. 3, art. 29.

⁴ *Ekonomicheskoe Obozrenie*, No. 4, 1929, p. 143.

⁵ *Shestnadtsataya Konferentsiya VKP(B)*, (1962), p. 289.

⁶ For the latter question see pp. 177-179 above.

⁷ *Shestnadtsataya Konferentsiya VKP(B)* (1962), pp. 318, 433-435.

out advances, with "single households".¹ How far this ban was maintained is doubtful. But it was further evidence of the determination to use *kontraktatsiya* as a weapon in the offensive against the *kulaks* and as an instrument of collectivization. *Kontraktatsiya* remained in theory voluntary. But, if a contract was approved by a majority of a "land community" (i.e. the *mir*, in which *kulaks* were now debarred from voting), it was enforceable on all members.²

By the spring of 1929, therefore, *kontraktatsiya* was no longer merely a system for the state purchase of agricultural products, but an instrument of policy designed to promote both the efficiency and the collective organization of agricultural production. "Commercial *kontraktatsiya*", which was confined to the simple process of purchasing in advance, was replaced by "productive *kontraktatsiya*", which meant that the purchaser intervened with advice and assistance in the processes of production;³ and *kontraktatsiya* became an instrument "guaranteeing not only quantity, but quality, of production".⁴ This evolution, corresponding to the substitution of planning for the market as the directing force of the Soviet economy, gradually changed the whole character of the enterprise. Active propaganda in support of *kontraktatsiya* was conducted in the press, where it was described as "a form of the link of the socialist sector with the peasant economy" and "a system of measures designed to transform the peasant economy".⁵ A circular of the party central committee of May 15, 1928, pointed out that "the development of the practice of *kontraktatsiya* should become not only a means to a significant rise in agricultural production (raw materials, and also grain), but an important instrument for uniting the poor and middle peasant masses into producer cooperatives";⁶ and Stalin a few days later called it "the best method of increasing the harvest yield of peasant households, and of drawing the peasants into cooperatives".⁷ From the autumn of 1928 *kontraktatsiya* was used to impose on the peasant

¹ *Na Agrarnom Fronte*, No. 7, 1929, pp. 40-41.

² A subsequent decree of October 7, 1929 (*Sobranie Zakonov*, 1929, No. 65, art. 610) drew explicit attention to this point.

³ *Ekonomicheskoe Obozrenie*, No. 4, 1928, pp. 90-91.

⁴ *Kontrol'nye Tsifry Narodnogo Khozyaistva SSSR na 1928-1929 god* (1929), p. 246.

⁵ *Na Agrarnom Fronte*, No. 6-7, 1928, p. 59; No. 8, 1928, p. 45.

⁶ *Izvestiya Tsentral'nogo Komiteta VKP(B)*, No. 16-17 (237-238), May 25, 1928, p. 8.

⁷ Stalin, *Sochineniya*, xi, 92.

the obligation not merely to grow certain quantities of a specific crop, but to adopt certain technical methods of production and certain forms of organization, the *quid pro quo* being the provision of technical aid.¹

Mechanization and *kontraktatsiya* were now seen as the twin instruments which would improve agricultural efficiency and lead the peasant to collectivization. Mikoyan in December 1928 wrote that "tractor columns, immediately linked with long-term *kontraktatsiya*, can play a great rôle in extending the sown area, in raising the productivity of peasant households and in their technical reconstruction";² and in the same month the TsIK of the USSR attempted to lay down "an essential minimum of agricultural measures obligatory for households engaged in *kontraktatsiya*".³ The measures of thinly disguised coercion which accompanied the *kontraktatsiya* campaign of the spring of 1929 sometimes included pressure on peasants to form a *kolkhoz*.⁴ A resolution of the sixteenth party conference in April 1929 commended "the further development of *mass kontraktatsiya* of agricultural products not only as a form of linking the development of agriculture with industry, but also as a method of raising the level of productivity of poor and middle peasant households".⁵ *Kontraktatsiya*, it was claimed, had led to the use of improved seeds; had encouraged the growing of new and valuable crops; had increased the output of poor and middle peasants, and made them independent of the *kulaks*; and had promoted collective forms of cultivation. Besides these things, it had meant "the elimination of the market element from the production, and from the sale, of agricultural products, of the basic agricultural crops". It had obvious affiliations with planning: under it "peasant production enters the socialist sector [of the economy] in accordance with an annual plan defined by contract".⁶ Under the impulse of planning, *kontraktatsiya* had been made into a powerful instrument for the collectivization of agriculture and for the offensive against the *kulak*.

¹ *Na Agrarnom Fronte*, No. 7, 1929, pp. 30-31. ² *Pravda*, December 9, 1928.

³ ⁴ *Sessiya Tsentral'nogo Iсполnitel'nogo Komiteta Soyuza SSR 4 Sozyva* (1928), No. 34 (*Postanovleniya*), p. 52; for the "agrominimum" see p. 242 below.

⁴ *Na Agrarnom Fronte*, No. 7, 1929, p. 39.

⁵ *KPSS v Rezolyutsiyakh* (1954), II, 580.

⁶ *Na Agrarnom Fronte*, No. 5, 1929, pp. 15-16, 19.

CHAPTER 10

LAND CONSOLIDATION

DURING this period what was known as "land consolidation" (*zemleustroistvo*) acquired an enhanced importance. This was handled by a department of Narkomzem, dating from the emancipation, whose officials, known as "land measurers and consolidators" (*zemlemery-zemleustroiteli*), travelled round the countryside, drawing boundaries both between different agricultural units — the "land community", the Sovkhoz or the kolkhoz — and between different households within the community. The former type was known as "inter-village" consolidation, the latter as consolidation "within the village"; in the earlier years of the régime, 90 per cent of all consolidation was of the former kind.¹ The initial function of land consolidation was simply to confirm existing titles and to establish them on the spot. But the process soon came to include an attempt to unravel some of the complexities of land tenure, to straighten boundaries by exchanging badly placed lots, to mitigate the worst inconveniences of strip holdings and holdings remote from the peasant's place of residence, and to assure access to water and other amenities. Any major improvement of the land (*melioratsiya*) was normally carried out by a peasant cooperative society. But minor improvements fell within the scope of land consolidation, and, though the work was nominally carried out at the request, and at the cost, of the holders, could apparently be imposed in case of necessity without their consent. Immediately after the revolution, the machinery of consolidation was used to enforce equalization of holdings.²

This procedure was brought to an end by the agrarian code of

¹ *Na Agrarnom Fronte*, No. 2, 1928, p. 76.

² This period, when land consolidation "went hand in hand with 'black repartition'", is described in *Na Agrarnom Fronte*, No. 2, 1928, p. 76; No. 4, 1928, pp. 6-7. Its results, "from the point of view of the creation of conditions for increased productivity and for the reconstruction of agriculture", were "nil".

1922. The code defined the future aims and functions of land consolidation. Among the evils which it was designed to remedy was the holding by the *dvor* of a large, sometimes very large, number of strips of land — a legacy of frequent repartitions and of the quest for complete equality between members of the *mir*.¹ This was not only a fatal impediment to improvements in cultivation, but obliged the peasant to travel long distances between different parts of his holding. Land consolidation was “to create for the population the maximum convenience in the utilization of land by doing away with strip cultivation, remote holdings etc.” (art. 142). Its multifarious functions included the allocation of land to state institutions (including, presumably, Sovkhozy); the division of land in the possession of “land communities”; the rectification of boundaries, and the provision or improvement of roads and water-courses; the planning of places of habitation in the villages; and the establishment and measurement of rural district boundaries (art. 166). But in the early nineteen-twenties the number of officials available was totally inadequate to these tasks, and a large proportion of holdings throughout the country remained unconsolidated. During this period, as was afterwards explained, the financing of land consolidation was “entirely in the hands of peasants who wanted an individual form of land utilization”.²

From 1925 onwards, with the increased attention given to agriculture, a new attitude made itself felt, and land consolidation became a recognized instrument of party and government policy. The third Union Congress of Soviets in May 1925, observing that land consolidation was a necessary condition of “correct management of the rural economy”, decided that it should be

¹ Conditions varied in different parts of the country. A table in *Kontrol'nye Tsifry Narodnogo Khozyaistva SSSR na 1927-1928 god* (1928), p. 115, showed that in the southern and south-eastern regions only about 20 per cent of holdings had more than 10 strips and an insignificant number more than 20, but that 38 per cent of strips were at a distance of from 5 to 10 versts, and 37 per cent at a distance of more than 10 versts; in the northern and north-western regions 52 per cent of holdings had more than 40 strips, but only an insignificant proportion of these were at a greater distance than 3 versts. Strips were frequently very narrow; one of the improvements effected by land consolidation was a change-over to broad strips. For further particulars of the strip system see *Istoriya SSSR*, No. 3, 1958, pp. 103-108.

² *Na Agrarnom Fronte*, No. 6-7, 1928, p. 10.

completed for the "principal regions" within ten years, that the cost of it for poor peasants should be borne by the state, and that credits for the purpose should be granted to other peasants.¹ Since the well-to-do peasant at this time enjoyed official favour, and since the cost of land consolidation normally fell on the beneficiaries, it is probable that most of the work of consolidation was still devoted to the more prosperous individual holdings.² With the reaction against the well-to-do peasant, and therefore also against the *khutor* and the *otrub*, the efforts of the consolidators were increasingly diverted to the improvement of other holdings. Three forms of consolidation were now distinguished: "inter-village" consolidation, consolidation "within the village", and what was called "consolidation by households" (*podvorno-khozyaistvennoe*), which included the introduction of practical improvements in methods of cultivation, especially the transition from the ancient three-field rotation to modern multi-field rotations, which had already made some progress in the central regions, but had scarcely begun in the remoter parts of the country. The following totals of consolidated areas in the RSFSR alone were quoted in 1927:

Peasant Land

Inter-village	76,024,530 hectares
Within the Village	16,257,190 "
By Household	13,951,580 "
	106,233,300 "

State Land (Sovkhozy)	9,798,882 "
	116,032,182 " ³

¹ *S"ezdy Sovetov v Dokumentakh*, iii (1960), 84; it would appear that nothing was done to implement the decision on grants and credits till September 1926, when a decree to this effect was issued (*Sobranie Zakonov*, 1926, No. 61, art. 455).

² *Na Agrarnom Fronte*, No. 2, 1928, pp. 80-81; this conclusion received partial confirmation from statistics of three provinces given in *Materialy po Perspektivnomu Planu Razvitiya Sel'skogo i Lesnogo Khozyaistva* (1929), v, 28-29, which showed the area percentage of *khutors* and *otrubs* on consolidated land in 1927 as two or three times greater than the corresponding percentage on all agricultural land.

³ *Vlast' Sovetov*, No. 23, June 6, 1927, pp. 1-2.

A table circulated at the session of the TsIK of the USSR in December 1928 showed that 33 per cent of all land in the USSR had been subject to "inter-village" consolidation; the proportion was highest in the Central Black-Earth region (80 per cent), the Central Industrial region (56.7 per cent), and the North Caucasian region (56.5 per cent), and lowest in the north and in the north-east. Of the work of land consolidation "within the village" 46.1 per cent had been devoted to the division of large land communities, 37.4 per cent to a change-over to wider strips, and 6.6, 6.5 and 3.4 per cent respectively to the formation of *kolkhozy*, *otrubs* and *khutors*.¹

The slow progress of land consolidation was attributable largely to the weakness of the institution and the paucity of its staff. In 1926 qualified "measurers and consolidators" in the RSFSR numbered 7443, of whom about 6000 were actually working in the field; and training institutions were turning them out at the rate of about 700 a year.² But, with the growing interest in party and Soviet circles in the process of consolidation, complaints began to be heard of the policies and attitudes favoured by it. The head of the department of the Land Survey Institute responsible for the training of the staff, an elderly professor named Khauke, apparently a former *narodnik*, was now described as "one of the most fanatical representatives of the bourgeois-*kulak* line in the agrarian question".³ A massive book of instructions to land consolidators on methods of carrying out their work issued by the Narkomzem of the RSFSR in April 1928 was said not to have relinquished "the methods of approach of bourgeois-capitalist society".⁴ Notwithstanding these social and political shortcomings, however, material progress was made. On January 1,

¹ 4 *Sessiya Tsentral'nogo Ispolnitel'nogo Komiteta Soyuza SSR 4 Sozyva* (1928), No. 13, pp. 5, 7.

² *Vlast' Sovetov*, No. 23, June 6, 1927, p. 2.

³ *Na Agrarnom Fronte*, No. 2, 1928, pp. 87-89; for a critical analysis of his views see *ibid.* No. 6-7, 1928, pp. 1-9. At the fifteenth party congress in December 1927 Bauman complained that the agronomists and land consolidators, even in Moscow province, still favoured *khutors* and *otrubs* (*Pyatnadtsatyi S'ezd VKP(B)*, ii (1962), 1316). In 1929 Khauke, having been relieved of his post in Moscow, published an article in the journal of the White Russian Agrarian Academy critical of collectivization (*Trudy Pervoi Vsesoyuznoi Konferentsii Agrarnikov-Marksistov*, i (1930), 181-182).

⁴ *Na Agrarnom Fronte*, No. 11-12, 1929, p. 120.

1927, a multi-field rotation had been adopted by 41 per cent of farms in the Central Industrial region (80 per cent in Moscow province), 33 per cent in the North-Western and North Caucasian regions, 5 per cent in the Ural region, 4 per cent in Siberia, and 1 per cent in the Far Eastern region.¹ At the fourth Union Congress of Soviets in April 1927 Shlikhter argued that the introduction of new rotations was dependent on consolidation;² and the resolution of the congress referred to the absence of consolidation as "one of the fundamental obstacles to the correct utilization of land already cultivated and to the bringing into use of fresh land", and prescribed measures to hasten and simplify the process.³ In 1924 only 3,860,000 hectares in the RSFSR were cultivated on a multi-field rotation; in the spring of 1928 the total had risen to 13,740,000 hectares.⁴ By 1928 grass had almost everywhere replaced fallow, the most important exception being the Central Black-Earth region.⁵

A fresh turn was given to the policy of land consolidation in the manifesto issued by the TsIK of the USSR on October 15, 1927, on the occasion of the impending tenth anniversary of the revolution. This included an announcement that the consolidation of holdings of poorer middle, as well as of poor, peasants would be a public charge, and that 10 million rubles would be voted for it in the budget of 1927-1928.⁶ A. P. Smirnov hailed this decision in *Pravda* as "a directive for the transition from a system of requests from the population to planned land consolidation", which would lead to "a broad plan of reorganization of the agricultural territory of the USSR . . . on socialist principles";

¹ *Bednota*, November 6, 1927.

² *SSSR : 4 S"ezd Sovetov* (1927), p. 426; Milyutin repeated this verdict a year later (*3 Sessiya Tsentral'nogo Iсполnitel'nogo Komiteta Soyuza SSR 4 Sozyva* (1928), p. 756).

³ *S"ezdy Sovetov v Dokumentakh*, iii (1960), 129-130.

⁴ *Na Agrarnom Fronte*, No. 2, 1929, p. 84. A speaker at the Communist Academy early in 1929 complained that, out of the 17 million hectares "consolidated" in the RSFSR, rotations had been prescribed only for 13 million hectares (A. Gaister, *Dostizheniya i Trudnosti Kolkhoznogo Stroitel'stva* (1929), p. 64); this seems to show that they had become a recognized function of consolidation.

⁵ *Puti Pod'ema i Sotsialisticheskoi Rekonstruktsii Sel'skogo Khozyaistva*, ed. M. Latsis and I. Litvinov (1929), p. 259.

⁶ *2 Sessiya Tsentral'nogo Iсполnitel'nogo Komiteta Soyuza SSR 4 Sozyva : Postanovleniya* (n.d. [1927]), p. 15; for this manifesto see p. 33 above.

and another writer thought that "the planned approach to land consolidation" could be used to foster collectivization and to eliminate "nests of *kulaks*".¹ Molotov at the fifteenth party congress in December 1927 curtly dismissed "the present position" of land consolidation as "literally worthless and simply intolerable". Enukidze on the same occasion alleged that *kulaks* "exclude poor peasants from land consolidation", but thought that it was now acquiring "fundamental significance".² The resolution of the congress on the five-year plan described land consolidation as "an elementary prerequisite both of the transition of the whole rural economy to a higher level of cultivation, and of the adoption of collective forms of farming and of the guarantee of the interests of poor and middle peasants in their struggle with the *kulak*". The resolution on work in the countryside linked consolidation with "other measures of economic organization", and called for "a limitation of the practice of hiving off *otrubs* and, especially, *khutors*, or its complete cessation in cases where they lead to the growth of *kulak* elements".³ These pronouncements marked the new view of land consolidation as an instrument of policy designed to promote the cause of collective cultivation and to reinforce the class struggle in the countryside. In a capitalist environment, it consisted "simply in delimitation, i.e. in setting for the owner the limits of his private property"; it was "the private affair of the owner of the land". In Soviet conditions, it was "one of the fundamental conditions of the development of productive forces"; indeed "the Soviet Government regards land consolidation as one of the prerequisites for the building of socialist relations in agriculture".⁴

Land consolidation now became a recognized instrument in

¹ *Pravda*, November 26, 1927, *Diskussionnyi Listok*, No. 7; November 30, 1927, *Diskussionnyi Listok*, No. 9.

² *Pyatnadtsati S'ezd VKP(B)*, ii (1962), 1187, 1245; a commentator explained that down to 1927 land consolidation had been "passive", i.e. it had not encouraged collective forms of agriculture (*Ekonomicheskoe Obozrenie*, No. 4, 1928, p. 153). In the Central Black-Earth region in 1928 poor peasants still had to pay for the consolidation of their holdings, since adequate credits were not forthcoming (*III Sessiya Vserossiiskogo Tsentral'nogo Iсполnitel'nogo Komiteta XIII Sozyva* (1928), No. 2, p. 13).

³ *KPSS v Rezolyutsiyakh* (1954), ii, 461, 485.

⁴ *Na Agrarnom Fronte*, No. 6-7, 1928, pp. 6, 8; a Gosplan writer in 1929 defined the function of land consolidation as "the adaptation of land space to new forms of cultivation" (*ibid.* No. 10, 1929, p. 25).

the advance to collectivization and in the campaign against the *kulaks*. From this time, what was called the "cluster (gnezdovyi) method" of land consolidation, i.e. the principle of subjecting, not individual holdings but whole regions to simultaneous consolidation, became popular.¹ Yakovlev told the enlarged presidium of the kolkhoz council in March 1928 that land consolidation should be "entirely subordinated to the task of collectivization", and should aim at the creation of holdings which "without any further alteration of area can make the transition to membership of a society for the common cultivation of the land".² About the same time an instruction was issued by Narkomzem to complete the consolidation of kolkhozy by the end of the summer, and to limit the formation of *khutors*.³ Some attempt was made to comply with this demand. Figures were quoted to show that between April and November 1928 the proportion of communes still awaiting consolidation declined from 28.7 to 7.5 per cent; of *artels* from 51.2 to 24 per cent; and of TOZy from 75.8 to 27.4 per cent. But it was admitted that most of this work consisted simply of drawing boundaries, not of taking steps to improve cultivation.⁴ In the summer of 1928 one-third of all Sovkhozy were still unconsolidated;⁵ and complaints of slow progress continued to be heard.⁶ In Siberia, the work of land consolidation, which throughout 1926 and 1927 had been devoted to the formation of *otrubs* and *khutors*, was switched over in 1928 to kolkhozy.⁷

One device which was apparently in use before the revolution received a fresh impetus from the development of land consolidation at this time. By way of breaking up large and unmanageable

¹ *Ekonomicheskoe Obozrenie*, No. 6, 1929, p. 15.

² *Bednota*, April 1, 1928.

³ *Ibid.* April 6, 1928.

⁴ *Na Agrarnom Fronte*, No. 8, 1929, pp. 109-110.

⁵ *Bednota*, June 26, 1928.

⁶ *Ibid.* October 19, 1928; it was suggested that aerial photography might be used to speed up the work (*Na Agrarnom Fronte*, No. 4, 1929, p. 31).

⁷ *Istoriya Sovetskogo Krest'yanstva i Kolkhoznogo Stroitel'stva SSSR* (1963), pp. 128-129, quoting unpublished archives; according to *Istoriya SSSR*, No. 3, 1958, p. 121, the formation of *khutors* and *otrubs* in 1928 fell to negligible proportions in the RSFSR, and was prohibited altogether in the steppe region of the Ukraine. A report to the Moscow provincial party committee indicated peasant opposition to the formation of *otrubs*, which "help the rise of the *kulak*" (Trotsky archives, T 2341).

*mir*s, with unduly fragmented and dispersed holdings, and also of bringing new land into cultivation, a group of *dvors* (normally 20 or 25, but occasionally as many as 120) was separated from an existing *mir* and formed into a new settlement, called a *poselok* or *vyselok*.¹ The fifteenth party congress in December 1927 gave its approval to this practice as being favourable to cooperative working and to mechanization, and as an alternative to the creation of *otrubs* and *khutors*.² A peasant journal published an account of the breaking up of a land community of 120 *dvors* in the province of Orel into three land communities and one *poselok*, as a result of which multi-field rotations were introduced, holdings concentrated, improved seeds and fertilizers used, and credit obtained.³ The practice was confined mainly to the south-eastern regions, where unoccupied land suitable for grain-growing was still available. An investigation of a group of ten *poselki* — apparently in the northern Caucasus — showed that they comprised only four well-to-do households out of a total of nearly 500;⁴ and the purpose of creating *poselki* was said to be "to settle the poor and weak middle peasant in order subsequently to collectivize him."⁵ The system was, however, criticized by some who saw in it an attempt to evade real measures of collectivization and a deliberate perpetuation of the old system.⁶ One critic described the *poselok* as barely distinguishable from a *khutor* and an encour-

¹ The two terms are often used interchangeably. But *vyselok* implied separation, whereas *poselok* was widely and vaguely used of any "settlement". *Poselki* were defined as "inhabited points which in type are similar to towns, but in the size of their territory and composition of their population differ from towns"; settlements of miners, railway workers and "working petty bourgeoisie" (i.e. artisans and craftsmen), and *dacha* settlements "for purposes of health or summer vacation" are mentioned, as well as settlements of peasants (*Sovetskoe Stroitel'stvo* No. 3-4, November-December 1926, pp. 126, 168-169). Even a *mir* could apparently be referred to as a *poselok* (4 *Sessiya Tsentral'nogo Iсполnitel'nogo Komiteta Soyuza SSR* 4 *Sozyva* (1928), No. 15, p. 2).

² *KPSS v Rezolyutsiyakh* (1954), ii, 485; the break-up of large land communities, especially in the Central Black-Earth region, into *poselki* of 20 to 30 households was recommended in a report to the congress (Ya. Yakovlev, *K Voprosu o Sotsialisticheskome Pereustroistve Sel'skogo Khoyazstva* (1928), p. 88).

³ *Derevenskii Kommunist*, No. 21, November 3, 1928, p. 42; the procedure is described in *Istoriya SSSR*, No. 3, 1958, pp. 112-113.

⁴ *III Sessiya Vserossiiskogo Tsentral'nogo Iсполnitel'nogo Komiteta XIII Sozyva* (1928), No. 2, p. 11.

⁵ *Ibid.* No. 2, p. 13.

⁶ *Na Agrarnom Fronte*, No. 4, 1929, pp. 21-22.

agement to the growth of individual holdings ;¹ and a Gosplan spokesman declared that "the dispersal of land in small settlements (*poselki*) must be categorically stopped".²

Opinions continued to differ about the success of the land consolidation programme. At the session of TsIK in December 1928, Milyutin claimed that *khutors* and *otrubs* were now set up almost exclusively in non-wheat-growing regions which produced mainly technical crops (the western, north-western and Leningrad regions), and argued that land consolidation should in future be directed not to the formation of *khutors* and *otrubs*, but to the improvement of holdings in the *mir*, both by substituting broad for narrow strips and by sub-dividing units in such a way as to reduce distant holdings.³ A Moldavian delegate explained that the land in the Moldavian ASSR had been consolidated in 1926, and that this had led to communal ploughing by several villages or groups of villages. But Larin, reverting to the criticism of the *poselki*, complained that consolidation was still being used to split existing units and create more individual holdings.⁴ The final text of the "General Principles of the Utilization and Consolidation of Land" approved by TsIK at this session declared that land consolidation "should assist the general advance of agriculture, its organization in cooperatives and its collectivization"; one of its purposes was "to limit the acquisitive ambitions of the *kulaks*". Priority was to be given to applications for consolidation from those "who are making the transition to forms of land utilization most favourable to cooperative organization, to collectivization and to the raising of the technical level of agriculture". Applications directed to "the formation of *khutor* and *otrub* holdings" were to be dealt with last, or ignored altogether if likely to promote the interests of *kulaks*. Consolidation of all poor, and smaller middle, peasant holdings, and of all *kolkhozy*, was to be carried out at the public expense, though a note added

¹ *Ibid.* No. 7, 1929, pp. 138-143; this critic was reviewing a work published by the agrarian institute at Minsk which argued in favour of the *poselok* as a "progressive phenomenon". For a further attack on this work see *Trudy Pervoi Vsesoyuznoi Konferentsii Agrarnikov-Marksistov*, i (1930), 176. It may be significant that the *mir* was rarely found in White Russia (see p. 120 above).

² *Na Agrarnom Fronte*, No. 10, 1929, p. 25.

³ *4 Sessiya Tsentral'nogo Iсполnitel'nogo Komiteta Soyuza SSR 4 Sozyva* (1928), No. 12, pp. 6, 15-16.

⁴ *Ibid.* No. 16, p. 2; No. 17, p. 30.

that "services of the population in kind necessary for the carrying out of land consolidation work" might be enforced by the legislation of the republics (arts. 15-20). Consolidation of Sovkhozy was to have priority (art. 36(a)).¹ Not everyone put the issue as bluntly as the writer in the peasant newspaper who declared that what was at stake in land consolidation was whether the *kulaks* or the *kolkhozy* got the land.² But the speaker who introduced a debate on collectivization in the Communist Academy remarked that "Stolypin knew how to find forms which would solve the problem of capitalist development in the countryside", and concluded that land consolidation could become "*one of the instruments for the development of kolkhozy*";³ another speaker urged that it was "necessary to link the practice of land consolidation with the creation of *kolkhozy*, having in view the planned construction of really large collective farms".⁴ The fifth Union Congress of Soviets in May 1929 called for the completion of land consolidation throughout the Union in five years.⁵ It was estimated that this would require an increase of 50 per cent in the corps of "land measurers and consolidators", which numbered over 11,500.⁶

¹ For the general principles see pp. 106-109 above. The draft revised agrarian code of the RSFSR prepared in the spring of 1929 (see p. 108 above) was more specific, describing the aim of consolidation as being "the creation of conditions and pre-requisites of agrarian organization which will promote the extended reproduction of socialist forms of agriculture and farming" (*Ekonomicheskoe Obozrenie*, No. 6, 1929, p. 16).

² *Bednota*, November 22, 1928.

³ A. Gaister, *Dostizheniya i Trudnosti Kolkhoznogo Stroitel'stva* (1929), pp. 38, 104.

⁴ *Ibid.* p. 65; the same speaker complained that land consolidation was still mainly concerned with "the formation of small holdings and settlements".

⁵ *S"ezdy Sovetov v Dokumentakh*, iii (1960), 166.

⁶ *Ekonomicheskoe Obozrenie*, No. 6, 1929, p. 21; the same figure had been cited by Yakovlev at the fifteenth party congress in December 1927 (*Pyatnadtsati S"ezd VKP(B)*, ii (1962), 1362).

CHAPTER II

THE EVE OF THE "BREAK-THROUGH"

THE problem of the grain collections in the winter of 1928–1929 was all the more baffling in that its dimensions, at first sight, did not seem unmanageable. It was summarized statistically in an article in *Pravda* in October 1928, when the collections were already under way. The total grain harvest was of the order of 4500 million puds (74 million tons), to which could be added the reserve of 500 millions (8.2 million tons) estimated to have been held back by the peasantry since the last harvest. About 470 million puds (7.8 million tons) were required to feed the towns, the factories and the Red Army, and a further 120 millions (1.9 million tons) for country regions not producing grain, notably for the cotton-growing area of Central Asia.¹ To raise a maximum of 600 million puds (9.8 million tons) for these needs out of a harvest of 4500 millions did not appear an extravagant demand. It was calculated in the autumn of 1928 that an increase of 200 million puds (3.3 million tons) in marketed grain would mean the difference between scarcity and a comfortable margin for export.² In order to meet this demand in the immediate future, two measures could be invoked which would benefit everyone, and seemed to carry no social or political implications: the raising of harvest yields, to be attained through the improved supply of high-quality seeds, fertilizers and tractors, and the extension of the area under crops, mainly in the eastern regions. This was the burden of a report presented by Gosplan to Sovnarkom in September 1928, which estimated that by these means production might be doubled in the space of ten years.³ In the latter part of

¹ *Pravda*, October 28, 1928. For an estimated requirement of 550 million puds see p. 85 above; Stalin in April 1929 put the figure at 500 million puds (see p. 251 below).

² G. Krzhizhanovsky and others, *Osnovnye Problemy Kontrol'nykh Tsifr Narodnogo Khozyaistva na 1928/29 god* (1929), pp. 97–98.

³ This document, which was not published, was summarized by Krzhi-

September 1928 Sovnarkom passed a resolution instructing Gosplan to plan for a doubling of agricultural output in the next ten years.¹ The party central committee in November 1928 proclaimed it as "one of the most important shock tasks of the economic plan" to increase the area under grain by 7 per cent and yields by 3 per cent in 1929.² The Sovnarkom resolution of September 1928 was formally endorsed in a long resolution of the TsIK of the USSR in December 1928, which hoped to effect this improvement through the provision of better seeds, the more extensive use of machines and tractors and chemical fertilizers, and the completion of land consolidation.³

The demand for higher yields in agriculture was uncontested and uncontroversial. The fourth Union Congress of Soviets in April 1927 had spoken of "the hitherto miserably low yields" of Soviet agriculture.⁴ A diagram circulated at the fifteenth party congress in December 1927 showed the grain yield of Russian agriculture lagging far behind that of other European countries. Moreover, while yields in Germany had almost reached the 1914 level, and in France surpassed it, in the Soviet Union they still fell short even of this target.⁵ The congress could only (in three different resolutions) deplore that "the level of agriculture still

zhanovsky in a report to the party central committee in November 1928 (G. Krzhizhanovsky and others, *Osnovnye Problemy Kontrol'nykh Tsifr Narodnogo Khozyaistva na 1928/29 god* (1929), pp. 23-25).

¹ *Ibid.* pp. 23-24.

² *KPSS v Rezolyutsiyakh* (1954), ii, 529.

³ *4 Sessiya Tsentral'nogo Ispolnitel'nogo Komiteta Soyuza SSR 4 Sozyva* (1928), No. 34 (Postanovleniya), pp. 48-57.

⁴ *S"ezdy Sovetov v Dokumentakh*, iii (1960), 127.

⁵ *Pyatnadsatyi S"ezd VKP(B)*, ii (1962), 1359. At the session of the TsIK of the USSR a year later a set of diagrams was circulated revealing the low place occupied by the Soviet Union in comparison with European and many overseas countries both in harvest yields and in the use of fertilizers and machines (*4 Sessiya Tsentral'nogo Ispolnitel'nogo Komiteta Soyuza SSR 4 Sozyva* (1928), No. 28, pp. 1-43; No. 29, pp. 3-28); for a further table see *Kontrol'nye Tsifry Narodnogo Khozyaistva SSSR na 1928-1929 god* (1929), pp. 386-387. Such comparisons were extremely popular at the time. According to figures issued by the International Agrarian Institute in Rome the yield of the wheat harvest of 1928 in the USSR (7.7 tseentners per hectare) was approximately equal to that of Spain, and compared with a yield of 14.7 tseentners in France, 22.3 in Germany and 33.3 in the Netherlands; the Soviet yield of rye in 1928 (7.5 tseentners per hectare, 8.6 in 1927) was the lowest in Europe, except in Spain and Portugal (not important rye-growing countries), and compared with 18.4 tseentners in Germany and 25.4 in Belgium (*International Yearbook of Agricultural Statistics* (Rome, 1929), pp. 122-123, 126-127).

remains extremely low", proclaim "the categorical necessity of a revival of agriculture (in the first place, an increase in harvest yield and an expansion of the area under crops)", and demand "*a rise in the productive forces of the countryside and a growth in the well-being of the broad peasant masses*".¹ Where standards were so low, even the simplest remedies might produce sensational results; Chubar told the congress that in the Ukraine alone proper weeding would add 100-120 million puds a year to the grain harvest.² Yakovlev reported estimates of a potential doubling of output by the collectivization and mechanization of small holdings.³ The supply of chemical fertilizers, in which Soviet agriculture also lagged far behind more advanced western methods,⁴ became a serious pre-occupation. In April 1927, the presidium of Osoaviakhim, mindful of the chemical component in its mixed origin,⁵ approved a report from its agricultural section on the need to increase the production, and lower the prices, of mineral fertilizers; and in the following month it supported a project to establish for the same purpose 23 chemical laboratories in institutions of higher education.⁶ The annual value of fertilizers used in Soviet agriculture rose (in terms of 1926-1927 wholesale prices) from 4 million rubles in 1926-1927 to 6.9 millions in 1927-1928; the planned figure for 1928-1929 was 11.8 millions.⁷

The alternative prospect of increasing yields by bringing fresh land into cultivation was less rosy than it sometimes appeared. Waste lands in the western and north-western regions and in White Russia were probably not inferior to land in East Prussia from which German farmers obtained high yields. But their utilization presupposed ample supplies of mineral fertilizers and

¹ *KPSS v Rezolyutsiyakh* (1954), ii, 437, 460, 472.

² *Pyatnadtsatyi S"ezd VKP(B)*, ii (1962), 987.

³ *Ekonomicheskaya Zhizn'*, July 3, 1928.

⁴ Shlikhter commented that, whereas Belgium in 1913 used 476.3 kilos of fertilizer per hectare, the Ukraine used 4 kilos (*Trudy Pervoi Vsesoyuznoi Konferentsii Agrarnikov-Marksistov*, i (1930), 77).

⁵ See *Socialism in One Country, 1924-1926*, Vol. 2, p. 419, note 8.

⁶ *Voprosy Istorii*, No. 6, 1965, p. 46, quoting unpublished archives.

⁷ G. Krzhizhanovsky and others, *Osnovnye Problemy Kontrol'nykh Tsifr Narodnogo Khozyaistva na 1928/29 god* (1929), p. 93; *Kontrol'nye Tsifry Narodnogo Khozyaistva SSSR na 1928-1929 god* (1929), p. 480, estimated production in 1927-1928 in current prices at 9.2 million rubles, and planned production to a value of 13 millions for 1928-1929.

skill in using them.¹ More hopes were placed in the southern and south-eastern regions where the new large-scale grain-growing Sovkhozy and kolkhozy were almost exclusively founded.² The makers of the first five-year plan assumed that the projected increase in the area under grain would take place mainly in "the Volga and eastern sectors of the country".³ But to bring virgin lands in these drought-prone regions into cultivation required improved techniques and improved implements and machines, such as were not available to the traditional peasant household, so that the extension of the area under grain was in practice also closely linked with the programme of technical improvements to raise harvest yields.

Pressure for increased agricultural production was stimulated by discussions of the five-year plan. At an earlier stage of the discussions, Vainshtein of the *Konjunktur* institute of Narkomfin had reckoned on an annual increase of 2 per cent in grain production during the period of the plan;⁴ and Oganovsky calculated that grain production might be expected to increase by 9.2 per cent during the five-year period (or by 1.78 per cent per annum) according to the basic variant of the plan, or by 11.4 per cent according to the optimum variant.⁵ Now these cautious estimates were left behind and treated as examples of Menshevik or SR pusillanimity. The compilers of the five-year plan, though they recognized "certain declining tendencies in agriculture" during the last eighteen months, nevertheless retained in their "basic variant" an estimated increase of 24 per cent, "which allows for a number of unfavourable conditions", and accepted for their "optimum variant" a figure of 35 per cent, based on the resolutions of the party central committee and of TsIK; this permitted an estimated increase in the marketed part of the grain harvest from 8.2 million tons in 1927-1928 to 17 millions ("basic variant") or 20 millions ("optimum variant") five years later.⁶ When the decision was taken to raise the sights to 35 per

¹ M. Vol'f, *Puti Rekonstruktsii Sel'skogo Khozyaistva* (4th ed. 1929), p. 45.

² See pp. 173-174, 189 above.

³ *Pyatiletnii Plan Narodno-Khozyaistvennogo Stroitel'stva SSSR* (1929), i, 84.

⁴ *Planovoe Khozyaistvo*, No. 8, 1927, p. 87.

⁵ *Ibid.* No. 1, 1928, p. 41; for Oganovsky see p. 29, note 2 above.

⁶ *Pyatiletnii Plan Narodno-Khozyaistvennogo Stroitel'stva SSSR* (1929), i, 85; ii, i, 297-298; for the two variants of the plan see pp. 888-890 below. For the resolutions referred to see p. 238 above.

cent, some members of the agrarian section of the Communist Academy were said to have conducted "a most active campaign" against it, calling the proposal "unrealizable" and "incompatible with economic requirements" and speaking of "an inadmissible tempo".¹ On the other hand, Sabsovich calculated that, with modern methods, grain production could be doubled in 10 years and trebled in 15, while the area under technical crops could be increased five- or six-fold, and production ten- or twelve-fold, in the same period.²

What could be achieved by propaganda and exhortation was not neglected. An issue of the leading economic newspaper in July 1928 carried a long leading article by Yakovlev calling for a doubling of the grain harvest, followed by a number of articles on reforms necessary to achieve this result.³ In August 1928 a conference of peasants of the North Caucasian region was held in Rostov to discuss ways and means of raising harvest yields. In October this initiative was publicized by *Pravda* and treated as a valuable precedent.⁴ An appeal issued by the party central committee in the same month was the signal for widespread propaganda for "the development of agriculture on a new technical base".⁵ In November 1928, the party central committee in its resolution on the North Caucasian region, where agricultural yields had hitherto been low, had demanded "the realization in an obligatory form of a certain minimum of agricultural standards both in Sovkhozy and kolkhozy and in individual peasant holdings".⁶ A resolution of the TsIK of the USSR of December 1928 declared that the work of the lower executive committees and village Soviets should in future be judged by the extent to which these organs "direct agricultural work"; and it proposed an extension of the "peasant congresses and conferences on the question of harvest yields" already tried in the North Caucasian, Lower Volga and Central Black-Earth regions.⁷ In January 1929

¹ *Trudy Pervoi Vsesoyuznoi Konferentsii Agrarnikov-Marksistov*, i (1930), 336.

² *Planovoe Khozyaistvo*, No. 1, 1929, p. 99; for Sabsovich see p. 309 below.

³ *Ekonomicheskaya Zhizn'*, July 3, 1928; Stalin's letter to comrade S. (see p. 76 above) also appeared in this issue.

⁴ *Pravda*, October 11, 1928.

⁵ *Bol'shevik*, No. 19, October 15, 1928, pp. 4-5.

⁶ *VKP(B) v Rezolyutsiyakh* (1941), ii, 307; this resolution is omitted from later editions.

⁷ For this resolution see p. 238 above. A leading article in *Bednota*, December 22, 1928, emphasized the importance of this resolution in placing on

an appeal from the party central committee on the occasion of re-elections to the Soviets, which ranged far and wide over the field of economic policy, repeated that "one of the fundamental obstacles to ensuring and strengthening the rate of industrialization in our country is the extraordinarily slow rate of development of agriculture, and especially of grain farming";¹ and a decree of Sovnarkom of January 11, 1929, called for heroic efforts to make good the deficiencies of the winter sowings in the spring sowing campaign, and repeated the demand of the party central committee for a 7 per cent increase in the sown area, and a 3 per cent increase in the yield per hectare, in the coming year.² These appeals led to a campaign for the establishment of what was called an "agrominimum", defined as "a plan of the simplest agricultural kind, prescribed as an obligation to be carried out by the citizens of a village or rural district".³ Local congresses were held to draw up programmes for the "agrominimum" and were said in some places to have given an impetus to party work, though it was admitted that the campaign often consisted of "many general phrases and little concrete business-like control", and lack of "material resources and, above all, seeds" was a grave handicap.⁴ A decree of the RSFSR imposed fines and other penalties on those who failed to comply with the "agrominimum".⁵ The framers of the five-year plan noted that in 1927-1928 not more than 9500 agronomists were working in the Soviet countryside; by the end of the five-year period it was hoped to

lower Soviet organs, including village Soviets, responsibility for the improvement of agricultural techniques and harvest yields; a supplementary decree of the RSFSR of a similar tenor was issued on December 20, 1928 (*Sobranie Uzakonenii*, 1929, No. 4, art. 50).

¹ *Izvestiya Tsentral'nogo Komiteta VKP(B)*, No. 1(260), January 16, 1929, pp. 10-12.

² *Sobranie Zakonov*, 1929, No. 4, art. 33; *Na Agrarnom Fronte*, No. 7, 1929, pp. 3-5. For the resolution of the party central committee see p. 238 above. The Ukrainian government issued a decree calling for a 6-7 per cent increase in yield (*Pravda*, January 12, 1929).

³ *Bednota*, March 31, 1929.

⁴ *Na Agrarnom Fronte*, No. 4, 1929, pp. 29-30; the peasant newspaper on one occasion reported the campaign under the caption "Much Ado, but Little Work" (*Bednota*, February 22, 1929). Reports of numerous regional "production conferences" in the first months of 1929 are quoted from unpublished archives in *Istoricheskie Zapiski*, xxxix (1952), 11-12.

⁵ *Bednota*, March 31, 1929; in the following month, 108,238 villages of the RSFSR were reported to have applied the decree about the agrominimum (*XIV Vserossiiskii S'ezd Sovetov* (1929), No. 7, p. 8).

raise the number to 23,000, and to give 5-6 million peasants "at least elementary agricultural instruction".¹

The campaign for improved technical efficiency in agriculture was all the more popular in that it seemed to side-step the controversial social issues which were shaking the party. It soon transpired, however, that these issues could not be so easily excluded from the argument. Bukharin himself in his earlier years had pointed out that "bourgeois political economy abstracts 'in principle' from the *historical social forces* of the productive process", and that this abstraction led to "an incredible theoretical muddle which is in practice very favourable to the bourgeoisie".² As Trotsky had put it in polemical language in the opposition platform of September 1927:

The *kulaks* and their ideological defenders hide all their ambitions under a pretence of worrying about the development of productive forces, about increasing the volume of commodity production "in general" etc.³

The question was not one of abstract economics. As Smilga said, Kondratiev and Preobrazhensky were both good economists; they arrived at opposite conclusions because they started from opposite premises.⁴ The practical problem was never far beneath the surface. In the conditions imposed by a largely illiterate or semi-literate peasant society, based on a primitive and traditional agriculture, technical improvements — whether by way of mechanization, or of seeds and fertilizers, or of the consolidation of holdings, or of new rotations — were bound up with questions of the size of the unit. A report prepared for the fifteenth party congress in December 1927 showed that harvest yields increased progressively with the size of the farm: the yield was more than twice as high on holdings where the total value of the crop exceeded 1400 rubles as on holdings where the value did not exceed 200 rubles, and substantially less labour was required to achieve the same result.⁵ Nor could problems of production be dissociated from the even more pressing problems of distribution. The

¹ *Pyatiletnii Plan Narodno-Khozyaistvennogo Stroitel'stva SSSR* (1929), i, 79.

² N. Bukharin, *Ekonomika Perekhodnogo Perioda*, i (1920), 105.

³ L. Trotsky, *The Real Situation in Russia* (n.d. [1928]), p. 62.

⁴ For Smilga's memorandum of October 1928 see p. 90 above.

⁵ Ya. Yakovlev, *K Voprosu o Sotsialisticheskome Pereustroistve Sel'skogo Khozyaistva* (1928), pp. xviii-xix.

authorities concerned with the feeding of the towns and factories were interested not so much in the amount of grain harvested as in the amount marketed. The importance of the Sovkhozy and kolkhozy was not only that they had higher harvest yields, but that they marketed a larger proportion of their harvest.¹ Kalinin in his report to the sixteenth party conference in April 1929 repeated Stalin's figures of May 1928 on the marketed part of grain production, showing that in 1926-1927 Sovkhozy and kolkhozy marketed 47 per cent of their production, *kulaks* 20 per cent and middle and poor peasants 11.2 per cent.² It required no elaborate statistical apparatus to demonstrate that the larger holding would bring a higher proportion of its grain to the market than the small holding which barely sufficed for the needs of the cultivator and his family. The issue was how the larger unit was to be constituted and who would control it.

The issue was the same (though now in a somewhat more advanced form) which had confronted Soviet policy-makers ever since 1925 — the choice between individual or collective agriculture, between "capitalist" or "socialist" forms of land tenure and production.³ The decision in favour of the former, taken in 1925, had never, except for a short period, been whole-hearted. Its implications had shocked many party stalwarts — not confined to members of the Trotskyite and united oppositions; and its supporters had always recognized the need for voluntary cooperation among individual producers. But, from 1925 to 1927, reliance on individual peasant agriculture had, broadly speaking, held the field. Two inter-connected factors then changed the situation. The first was the growing pressure of plans of industrialization concentrated primarily on heavy industry. This took away any prospect of a rapid increase in the supply of consumer goods, which might have provided an economic incentive for the individual peasant, and especially for the more efficient and well-to-do peasant, to deliver the grain; and, in so doing, it ended the cherished hope that industrialization would not place too heavy a burden on the peasant.⁴ The second was increasing applica-

¹ See p. 181 above.

² *Shestnadsataya Konferentsiya VKP(B)* (1962), pp. 276-277; for Stalin's figures see p. 73 above.

³ See *Socialism in One Country, 1924-1926*, Vol. 1, pp. 209-213.

⁴ See pp. 27-28 above.

tion of mechanization and other modern technical processes to agricultural production; this meant that the efficient unit of production constantly increased in size, irrespective of whether the unit was individually or collectively controlled. When therefore the shortages of 1927, the drive for industrialization, and finally the grain collections crisis of the first months of 1928, brought the issue to a head, the arguments for individual peasant agriculture were very much weaker than in 1925. The individual peasant, having little inducement to spend, developed the traditional peasant propensity to hoard. Grain, whether as a reserve for future contingencies or as a speculation on higher prices, was the most stable and convenient form of wealth.¹ The existence of large holdings in individual hands meant that the holders would surrender the grain only on terms — involving an adequate supply of consumer goods at acceptable prices — which were incompatible with the ever increasing investment in heavy industry demanded by policies of rapid industrialization. The larger and more efficient the unit, the greater the bargaining power of the holder, and the weightier his influence over economic policy. Only large units controlled by the state could be obliged to deliver grain to the official collectors on terms settled by the central authorities, and fitted into the pattern of planning and industrialization.

The problem was commonly discussed in party literature in terms of class conflict, and as an element in the struggle to replace capitalist by socialist modes of production.

At the present stage in the development of NEP [the opposition had declared in November 1927 in its counter-theses on the five-year plan], every question of serious economic significance, and *a fortiori* the five-year plan of the whole economy, is a question of class struggle.²

The framers of the five-year plan, though their concrete proposals for a collective agriculture embraced only a minority of the peasantry, clearly formulated the end in view :

To create a socialist agriculture, which at the end of the five-year period would be responsible for a share in the marketed grain at least as great as the present share of the top stratum of the peasantry, is one of the fundamental ideas of the plan.³

¹ See p. 45 above.

² For the counter-theses see p. 36 above.

³ *Pyatiletnii Plan Narodno-Khozyaistvennogo Stroitel'stva SSSR* (1929), ii, i, 270-272.

"Fundamentally", observed the compilers of the Gosplan control figures for 1928-1929, "the class struggle in the countryside is concentrated on grain";¹ and a Gosplan commentator a year later looked back on 1928-1929 as a year of intensified class struggle centring on grain.² Interpreted in the sense of a struggle between different classes of peasant, this diagnosis, fostered by party doctrine, was largely unreal. The underlying issue at stake was whether the production and distribution of the grain should be controlled by, and in the interests of, the peasants who had surpluses of grain to bring to the market — and this category included a substantial proportion of middle peasants who could not be labelled as *kulaks* — or by agents of party and government who represented the interests of the towns and the factories; only thus far was it a class struggle in the conventional sense. But, till it became clear who would control the destinies of Soviet agriculture, and how they could be controlled, technical problems remained in abeyance. It was an illusion to suppose that they could be solved in neutral terms and independently of the issue of social and political control. It was this issue which in the spring of 1929 the reluctant Soviet leaders were at length compelled to face.

It was now only a matter of time before the rift in the party would be publicly proclaimed, and the new course in agrarian and industrial policy be confirmed. The fifth anniversary of Lenin's death, which fell on January 21, 1929, was the occasion of another muffled exchange of hostilities. On the eve of the anniversary, Bukharin, in an article in *Pravda* on *Lenin and the Tasks of Science in Socialist Construction*, strove once again to confine the agrarian issue to the neutral ground of technical progress:

*We shall conquer thanks to scientific economic management, or we shall not conquer at all.*³

And this was followed by an article of Krupskaya on *Lenin and the Building of Kolkhozy* which seemed to place emphasis on the need to exercise caution and to take account of peasant psychology.

¹ *Kontrol'nye Tsifry Narodnogo Khozyaistva SSSR na 1928-1929 god* (1929), p. 289.

² *Planovoe Khozyaistvo*, No. 8, 1929, p. 9.

³ *Pravda*, January 20, 1929.

But the same issue carried an article by Saveliev, a recently appointed party stalwart on the editorial board, entitled *Lenin on the Struggle on Two Fronts and on Conciliationism*, the polemical implications of which were obvious. Bukharin himself was no less ready to step into the arena. On the following day, at a public meeting to honour Lenin's memory, he delivered a commemorative speech, which was a development in more popular form of his *Notes of an Economist* of the previous autumn. He claimed to have attempted "to omit no important idea of Lenin, and to add absolutely nothing of my own". But his selection of texts was full of significance for the initiated. A critic at the party central committee in November 1928 had declared that Bukharin "made Lenin into some sort of apostle of civil peace".¹ This view Bukharin now developed in public. He leaned heavily on Lenin's last articles in which the leader had insisted on the maintenance of the link between proletariat and peasantry as "the chief task" of the party, and had declared that any split between them would be "destructive of the Soviet republic"; and he added that Lenin "makes no mention at all of the *kulak* in these articles". Bukharin refused to believe that events were moving towards a "third revolution". He saw "the theoretical basis which defines our great tactical task" in a diminution, not in a further inflammation, of the class struggle between worker and peasant. The essential was that the peasantry should "have confidence in the proletarian power". He deprecated all "quick-fire" forms of economic progress.²

At this moment the disclosure of Kamenev's note of his conversations with Bukharin and Sokolnikov six months earlier caused a sensation. At an ensuing joint session of the Politburo and the presidium of the central control commission on January 30, 1929, Bukharin, Rykov and Tomsy presented a statement (afterwards referred to as a "platform"), in which they argued, *inter alia*, that the Sovkhozy and kolkhozy could not in the near future become the "basic source" of grain supplies, and that dependence on individual peasant households would continue for a long time to come.³ After an abortive attempt at compromise, a resolution

¹ *Voprosy Istorii KPSS*, No. 4, 1962, p. 58.

² *Pravda*, January 24, 1929; the speech also appeared within a few days in pamphlet form under the title *The Political Testament of Lenin*.

³ *XVI S'ezd Vsesoyuznoi Kommunisticheskoi Partii (B)* (1930), p. 201.

was adopted on February 9, 1929, passing a severe censure on Bukharin's policy and behaviour, and reprimanding Rykov and Tomskey for their complicity. But the resolution was kept secret, and the resignations which Bukharin and Tomskey once more offered were refused.¹ No public attack was yet made on Bukharin by name. But at a Moscow provincial party conference in the latter part of February 1929, Molotov, who made the main report, again poked fun at the formula of "the peaceful growing of the *kulak* into socialism"; and the resolution of the conference called for "the collectivization of agriculture . . . on the basis of NEP", and condemned the Right deviation as "the chief danger" at the present stage.² None of the audience can have doubted at whom these sallies were aimed.

Preparations were now in train for a party conference in the latter part of April 1929, to be preceded by a meeting of the party central committee. The initial arrangement was that Kalinin should prepare theses on agriculture for submission to the central committee and the conference, and Rykov theses on the five-year plan. Kalinin's theses, which were at once approved by the Politburo and published in *Pravda* on April 2, 1929,³ fell into three sections. The first was a review of the existing situation built round the familiar theme of the two alternative paths of development. To overcome the backwardness of Soviet agriculture required "the creation of large-scale agricultural production", which could be achieved either "by way of the establishment of large-scale *kulak*-capitalist farming or by way of the establishment of large-scale socialist farming". The question was, "*Who will direct economic development, the kulak or the socialist state?*" But the answer to this question did not imply any sharp or revolutionary change of front. "Small-scale farming has not yet exhausted, and will not soon exhaust, its existing potentialities"; the party would promote increased productivity by "combining work on

¹ *KPSS v Rezolyutsiyakh* (1954), ii, 556-567; the resolution and the events leading up to it will be discussed in a subsequent volume. For the Kamenev-Bukharin conversation see p. 82 above.

² The conference was reported in *Pravda*, February 23, 26, 27, March 1, 2, 7, 1929; for a similar party conference a few days later in Leningrad, addressed by Voroshilov, see *ibid.* March 9, 10, 1929.

³ A leading article in *Pravda*, April 5, 1929, described them as "a document of great political importance"; for the theses as eventually adopted by the conference see p. 253 below.

the solution of its radical and most important task — the organization of large-scale agriculture — with daily, widespread, organized technical and economic help for the ordinary individual poor and middle peasant household". The second section recalled the resolution of the fifteenth party congress on "the offensive against the *kulak*", and firmly denounced the Right deviation as "a direct transition to the position of the *kulak*". The third section was concerned with practical measures — none of them new — to promote the development of large-scale collective agriculture. The theses contained no hint of any attempt to apply compulsion to the peasantry as a whole. The choice of Kalinin as *rapporteur* seemed to rule out the charge that they were designed to introduce a policy directed against the peasant.

A very different fate awaited Rykov's draft theses on the five-year plan. These apparently evaded the issue of the socialist transformation of the economy and, in regard to agriculture, said nothing of the class question or of the offensive against capitalist elements. The novelty of the theses was a proposal that the five-year plan should be supplemented by a special two-year plan designed to deal with the problems of agriculture and to remove existing disproportions between agriculture and other sectors of the economy.¹ This was clearly a reflexion of Bukharin's view of the need to slow down the rate of industrialization in order to enable agriculture to catch up. Some time early in April 1929 Rykov's theses were rejected by the Politburo, and revised theses on the five-year plan were drafted which, by way of compromise, were to be sponsored at the party conference jointly by Rykov, Krzhizhanovsky and Kuibyshev. They were concerned mainly with the development of industry. They referred in passing to the complexity of "the task of reshaping many millions of scattered peasant farms on the basis of collective labour", but did not dilate on the point. The main focus of interest in agricultural policy

¹ The theses have not been published, and can be imperfectly reconstructed from a brief account in *Shestnadtsataya Konferentsiya VKP(B)* (1962), p. xiii, and from Stalin's comments in *Sochineniya*, xii, 79-82; for Rykov's idea of a two-year plan as explained in a speech on the five-year plan to a meeting of Sovnarkom and STO see p. 889 below. Rykov was reported at this time as referring at the Moscow provincial congress of Soviets to "extreme difficulties" and "phenomena of crisis" (*Pravda*, April 14, 1929; *Ekonomicheskaya Zhizn'*, April 13, 1929).

had clearly been transferred to Kalinin's theses.

The session of the party central committee which preceded the party conference lasted from April 16 to 23, 1929, and witnessed an outspoken clash between the "Right" opposition and the majority before a large — though still restricted — party audience. The proceedings were treated as secret, and of the speeches delivered only Stalin's has been belatedly published. Kalinin is said to have pronounced collectivization "indispensable": "without it we shall not in our conditions obtain the volume of grain products demanded by our socialist development". Bukharin, Tomsy, Rykov and Uglanov all spoke for the opposition, Voroshilov, S. V. Kosior, Kuibyshev, Mikoyan and Orjonikidze for the majority.¹ Tomsy called the slogan of the "metal link" with the peasantry "a pernicious invention"; all it amounted to was extraordinary measures and bread cards. Bukharin more soberly described the new link as "fantastic one-sidedness", and argued that the market link "will be for long years the *decisive* form of the economic link". The leaders were guilty of "a flagrant overestimate of the possibility of acting on the basic mass of the peasantry without market relations", and wanted to leap over NEP "into some further phase of development of our economic relations". Bukharin spoke of the attacks on him as "copied from the Trotskyite platform".² Bukharin and Rykov advocated import of grain from abroad as a preferable alternative to a revival of the extraordinary measures.³ Stalin intervened at a late stage of the debate primarily in order to reply to Bukharin's and Rykov's criticisms of agricultural policy. Reverting to Bukharin's utterances of 1925, he contrasted "the Marxist theory of the class struggle" with Bukharin's theory of "the growing of capitalists into socialism", which aimed at damping down the class struggle.⁴ Bukharin, Stalin continued, stood for "any kind of

¹ *Voprosy Istorii KPSS*, No. 4, 1960, p. 74; this article is based on unpublished party archives.

² For these quotations from Tomsy's and Bukharin's speeches see *Shestnadsataya Konferentsiya VKP(B)* (1962), pp. 803, note 215, 806, notes 236, 237; *Bol'shevik*, No. 22, November 30, 1929, p. 6. For the "metal link" see p. 199 above.

³ *Shestnadsataya Konferentsiya VKP(B)*, (1962), p. 780, note 56; Rykov originally proposed an import of 80-100 million puds, but later reduced it to 50 millions (Stalin, *Sochineniya*, xii, 92).

⁴ The charge, though crudely expressed, had some substance; but it might

alliance with the peasantry in general", and did not recognize the division of the peasantry into mutually hostile classes.¹ Stalin insisted that the levy on the peasant represented by the "scissors" between agricultural and industrial prices, which he referred to as a forced "transfer" (*perekachka*) or "tribute" (*dan*), was an indispensable condition of industrialization, and challenged Bukharin, Rykov and Tomsy to say whether they accepted this policy. Bukharin incautiously interjected that he accepted the "transfer", but that "tribute" (which had been used by Stalin in his speech of July 9, 1928, and had appeared in the Politburo resolution of February 9, 1929) was "an unfortunate word". This provoked laughter, and the crushing reply that Lenin in 1918 had spoken of the willingness of the workers to pay "tribute" for the victory of the revolution. Stalin concluded that, of the 500 million puds of grain a year required to feed the towns, the factories, the Red Army and regions producing technical crops (mainly Central Asia), not more than 300 or 350 millions would be spontaneously forthcoming; the remaining 150 millions could be obtained only by "organized pressure on the *kulak* and well-to-do strata of the countryside". On the other hand, Rykov and Bukharin "evidently stand *in principle* against any application of extraordinary measures in regard to the *kulaks*"; this was "a bourgeois-liberal policy, not a Marxist policy".² The resolution, which was also not published at the time, alleged that "Bukharin's group, following Frumkin, places its stake on an extension of opportunities for the development of *kulak* agriculture", declared that "the proletarian dictatorship at the present stage

have been remembered that Stalin told the students of Sverdlov university on June 9, 1925, at the height of Bukharin's campaign, that "we are not interested here in fanning the class struggle" (*Sochineniya*, vii, 179). Stalin had evidently been reminded of this indiscretion at the time of the session of the central committee in July 1928; on that occasion he repeated that "our policy cannot be regarded as a policy of fanning the class struggle", but added that this did not mean that the class struggle would be abandoned or that it would not become more acute (*ibid.* xi, 170).

¹ For the significance of these different attitudes see *Socialism in One Country, 1924-1926*, Vol. 1, pp. 98-99.

² Stalin, *Sochineniya*, xii, 1-107; for the passages relating to Bukharin's and Rykov's views on agriculture see *ibid.* xii, 28-56, 79-95. This was the first full publication of the speech; an abbreviated version appeared in *Bol'shevik*, No. 23-24, December 31, 1929, pp. 15-49, at the moment of the decision to collectivize.

means the continuation and reinforcement (not the muffling) of the class struggle", confirmed the Politburo resolution of February 9, 1929, and relieved Bukharin and Tomskey of their official posts.¹

The session of the party central committee was immediately followed by the sixteenth party conference, which sat from April 23 to 29, 1929. Of the three *rapporteurs* on the five-year plan, Rykov noted the falling-off in the area under grain, especially rye and wheat, which had been hardest hit by the failure of the autumn sowings, and consequently in the probable yield of grain in the forthcoming harvest. He then turned back to the grain collections of the past winter which had been "worse than those of the previous year". The shortage of grain had led to a sharp divergence between official and free prices and to widespread "speculation"; this had necessitated the introduction of bread cards — "not a good thing in general", but in the existing situation a "lesser evil".² Krzhizhanovsky admitted that the element of "spontaneity" in agriculture could not be fully overcome in one or two years, but observed "a series of breaches in the old front".³ Kuibyshev welcomed the impending class struggle as "the completely inevitable and obligatory concomitant" of the social changes in the countryside.⁴ Neither Bukharin nor Tomskey spoke; and the debate on agriculture was reserved for the report in which Kalinin introduced his theses on the subject. Kalinin diagnosed three disquieting features: the increasing fragmentation of holdings (the Soviet Union now contained from 25 to 27 million peasant *dvors*), the reduction of grain crops in favour of technical crops, and the decline in the marketed proportion of the harvest. The problem was "the colossal unprofitability of agriculture, the unproductiveness of the small peasant household" — a problem thrown into relief by the achievements of industry. Kalinin drew the familiar picture of the two alternative roads to large-scale production: capitalist and socialist. The countryside was the scene of "a bitter class struggle" which must lead to "*the systematic limitation of the kulaks and of capitalist elements in the countryside*".⁵ By a decision of the Politburo, four agricultural

¹ *KPSS v Rezolyutsiyakh* (1954), ii, 549-556; the political aspects of this resolution will be discussed in a subsequent volume.

² *Shestnadsataya Konferentsiya VKP(B)* (1962), pp. 17-21.

³ *Ibid.* p. 33; for "spontaneity" see p. 47 above, pp. 260-261 below.

⁴ *Shestnadsataya Konferentsiya VKP(B)* (1962), p. 69. ⁵ *Ibid.* 276-285.

specialists attended the conference; and two of them — one a party member, the other a non-party professor — spoke on the rôle of science in agriculture.¹ Though the theses presented by Kalinin repeated the formula of "the transition of whole villages and settlements to collective forms of labour", nobody thought in terms of sudden and catastrophic change. Such dreams still seemed remote from realization; and the conference stumbled and hesitated on the immediate practical issue of the admission of *kulaks* to the kolkhozy.² Kalinin's theses were adopted, unanimously and with one minor amendment, in the form in which they had appeared in *Pravda* almost a month earlier.³ The Right deviation had been condemned. But no published document named Bukharin, Rykov and Tomsy as deviators. The split in the Politburo was still professedly a party secret.

The sixteenth party conference was followed in May 1929 by the fourteenth congress of Soviets of the RSFSR and the fifth Union Congress of Soviets, which endorsed the party line, and provided a significant record of the mood of the moment. Rykov, as president of the Sovnarkom both of the RSFSR and of the USSR, was the main speaker at both congresses. At the Russian congress he attributed the "supply difficulties" and the need for rationing to "rich *kulak* elements", who refused to part with their grain when the state needed it. He looked forward to the modest advance in agriculture proposed in the five-year plan: when the plan was completed, "we shall have in agriculture a very large socialist oasis".⁴ Kubyak declared that "the question of fragmentation can in essence be settled only by way of collectivization and by nothing else", and noted that under the five-year plan the production of the socialized sector of agriculture would rise from 2 per cent of the whole in 1927 to 21.9 per cent in 1932-1933.⁵ The resolution on the five-year plan, in its section on agriculture, noted that the plan foresaw both "a powerful strengthening

¹ *Ibid.* pp. 341-351, 804, note 221; the first was Vavilov, later famous as a geneticist. Kalinin complained at the conference that, whereas Vesenkha had under its control 36 research institutes engaged on the problems of industry, no scientific research had yet been undertaken into the problems of collective agriculture (*ibid.* p. 298).

² See pp. 177-179 above.

³ *KPSS v Rezolyutsiyakh* (1954), ii, 575-589.

⁴ *XIV Vserossiiskii S"ezd Sovetov* (1929), No. 1, pp. 11, 13.

⁵ *Ibid.* No. 7, pp. 4, 14.

of the socialized sector in agricultural production . . . on a higher technical basis", and also "a significant increase in individual poor and middle peasant holdings with a decisive limitation of exploitation by *kulak* strata in the countryside". It may be significant that the resolution on local Soviets contained a strong pronouncement of support for "revolutionary legality".¹

The fifth Union Congress of Soviets, which immediately followed the Russian congress, was primarily concerned to approve the five-year plan.² Rykov opened his report to the congress on a pessimistic note by contrasting current food shortages and the introduction of ration books with industrial achievements. But he agreed that "contemporary agricultural technique requires far larger units of production than a *kulak* farm", and tactfully steered a middle course between those who rejected, and those who demanded, violent measures against the *kulak*. He admitted in his reply to the debate that he had received several notes from delegates about "the insufficiency of grain in certain regions".³ Kalinin, who introduced a debate on agriculture, argued the theoretical case for collectivization under the plan. Speaking of the success of some seed cooperatives in the Ukraine, he continued in optimistic vein :

We know that the peasants sometimes mistrust collectivization. They think that to be collectivized means for the collectivized peasant to be deprived of his land and to receive no benefits. The initiative of the Ukrainian peasants shows how deeply we have implanted in the peasantry the consciousness of collectivization : the peasant in one way or another seeks to find these forms.

He expressed the belief that the peasant would be brought to accept the collectivization not only of land, but of animals. But, when he admitted that "some people may take the view that it would be possible to wait a little, to stretch out, say, to five years the plan of collectivization envisaged for two years", it was easy to infer that he was speaking for himself.⁴ The congress resolu-

¹ *S"ezdy Sovetov v Dokumentakh*, iv (1962), i, 119, 135-136.

² See p. 894 below.

³ *SSSR : 5 S"ezd Sovetov* (1929), No. 2, pp. 1-2, 16, 18 ; No. 7, pp. 3, 4.

⁴ *Ibid.* No. 15, p. 28 ; No. 19, pp. 4, 6. Kalinin's theses on agriculture

tion, while admitting that "for a considerable period of time the individual poor and middle peasant economy will remain the basic supplier of products of consumption and of raw material to the agricultural market", nevertheless maintained that only "large-scale agricultural production" could overcome "the backwardness of agricultural labour":

The socialist way of development is the only way to free poor and middle peasants from poverty and ruin. At the same time this way signifies not only a limitation of the growth of capitalist elements in the countryside, but in the last resort their complete elimination by large-scale socialized farming.

Such measures "inevitably sharpen the class struggle throughout the country". But "attempts to slow down and retard the development of agriculture in the socialist way" must be met with the strongest resistance, even when they took the form of "hesitations in the ranks of the working class and of the peasantry".¹ The resolution which set forth the issue so decisively had nothing to add to the practical prescriptions of the past for the improvement of agricultural production and marketing. Nobody was yet prepared to face the frightening conclusions which were to result from the argument

The pronouncements of the party conference and of the Soviet congresses reflected, and perhaps did something to inflame, the growing tensions in the countryside. The Union Congress of Soviets listened to a graphic description of an organized demonstration of "students and backward poor peasants" in a Siberian village. The demonstrators gathered round the dwellings of *kulaks* or middle peasants and distributed placards branding them in opprobrious terms, which the victims were then compelled to exhibit.² The well-to-do peasant on whom the extraordinary

adopted by the sixteenth party conference had noted that middle peasants were "joining collective holdings with their inventory and animals" (*KPSS v Rezolyutsiyakh* (1954), ii, 586); but a pessimistic view of the peasant attitude to the collectivization of animals was expressed by a writer in *Na Agravnom Fronte*, No. 11-12, 1929, pp. 154-155.

¹ *S"ezdy Sovetov v Dokumentakh*, iii (1960), 162-164.

² *SSSR : 5 S"ezd Sovetov* (1929), No. 3, p. 6.

measures of 1928 had fallen most heavily faced the grain collections of 1929 with an embittered hostility, and with a knowledge of what to expect, which had previously been absent, and developed new techniques of resistance and concealment.¹ The hoarding or withholding of now much depleted peasant stocks of grain was tenaciously practised ; and the authorities responded by intensified propaganda against the *kulak*. On March 31, 1929, a leading article in *Pravda* described the situation in trenchant terms :

There is grain in the countryside, enough of it to have a complete coverage of the needs of the consuming regions and an exact fulfilment of the grain-collecting plans. But, in connexion with the markedly increased specific weight of *kulak* and well-to-do holders of grain, we have an increase of the class resistance of the *kulak* to the execution of the economic plans of the proletarian state. *The sharpening of the class struggle at the present stage is far from being a phenomenon of a theoretical kind ; it is expressed, first and foremost, in the economic and political resistance of kulak elements to the tasks and purposes of the Soviet power.*

"It would be laughable", said Stalin at the party central committee in the following month, "to hope now that grain can be got from the *kulak* voluntarily."² A few days later, at the sixteenth party conference, Syrtsov spoke in terms of frank apprehension of the growing power of the *kulaks*. The struggle in Siberia had become "political". The *kulaks* were no longer to be tempted by higher prices ; they wanted machines, political rights, and "the removal of a régime under which the *kulak* is politically isolated in the countryside". The resistance of the *kulaks* had not been broken ; on the contrary, "the *kulaks* are striving with all their might to strengthen their economic influence in the countryside", and "we can literally feel, sense, how things are taking a certain shape, how the *kulaks* are becoming conscious of themselves as a class, how their own class demands are being

¹ In some places in Siberia *kulaks* were reported to be destroying their grain rather than give it up to the Soviet collectors (*Shestnadsataya Konferentsiya VKP(B)* (1962), p. 322). In the province of Voronezh stores of grain buried underground by *kulaks* were said to have been discovered (*Pravda*, June 5, 1929) ; in one place in the Central Black-Earth region five tons of grain were found buried under a heap of manure, in another 11 tons concealed between double walls (*ibid.* June 26, 1929).

² Stalin, *Sochineniya*, xii, 15.

put forward". This was a situation which precluded compromise or passive toleration :

Not to hinder *kulak* production means to open the gates wide to the possibility of exploitation, to permit of the formation of large-scale capitalist production, to strengthen those capitalist tendencies which still find a favourable soil in the countryside, since the roots of capitalism have not yet been extirpated.¹

The magnitude of the task confronting the Soviet leaders was, however, persistently obscured by the assumption that resistance would be confined mainly to a small, identifiable and isolated group of *kulaks*. Stalin at the party central committee in April 1929 boldly asserted that "we are mobilizing . . . the poor and middle peasant masses against the *kulaks*, educating them politically and out of them organizing our own political army many millions strong in the countryside".² A speaker at the sixteenth party conference in April 1929 optimistically suggested that the difference between the collections of 1928 and those of 1929 was that on the latter occasion the poor and middle peasants had supported the party line against the *kulaks*;³ and the resolution of the conference assumed that the attitude of the peasantry as a whole would depend on the policy adopted towards the *kulak* :

Whether the peasant masses remain faithful to the alliance with the working class or permit the bourgeoisie to divide them from the workers, depends on which path the development of agriculture will follow — the socialist or the capitalist path — and, in accordance with this, *who will direct the development of the economy — the kulak or the socialist state*.⁴

Since the workers had been foremost in demanding the nationalization of the factories and the expropriation of the proprietors, it was difficult to believe that the peasants — except for a small minority corrupted by the holding of substantial possessions — would not reason in the same way. The head of the agricultural section of Gosplan admitted that, until recently, "any middle peasant would look with envy on the *kulak* farm with its two pairs of oxen, its good plough, horse-drawn threshing machine, and

¹ *Shestnadtsataya Konferentsiya VKP(B)*, (1962), pp. 320-323.

² Stalin, *Sochineniya*, xii, 88-89.

³ *Shestnadtsataya Konferentsiya VKP(B)* (1962), pp. 400-401.

⁴ *KPSS v Rezolyutsiyakh* (1954), ii, 576-577.

one or two *batraks*, thinking this the ideal of a good farm in general"; but he believed that the Sovkhoz or the collective farm would soon replace this ideal in the mind of the middle peasant.¹

Little confirmation could be found for these optimistic assessments. A more sober appraisal of the mood of the countryside recognized that peasant resistance to the new policies was broadly based :

The mass of the peasantry with its predominantly individual economy, which is only by degrees being drawn into the paths of socialist transformation, is the milieu where hesitations of this kind in regard to socialist construction most easily arise.²

But the support given by poor peasants and *batraks* to the *kulaks* was once more explained by the indiscriminate application of "administrative measures" and by the weakness of party work among the poor peasants.³ Many unwilling tributes were paid to the influence of the *kulak* over the mass of the peasantry. The poor peasant wanted only to become more prosperous, and respected those who knew "how to live".⁴ The authority of the *kulak* over the poor peasant was not established merely by methods of intimidation; in Siberia, after the harvest of 1928, *kulaks* were reported to be threshing poor peasants' grain without payment.⁵ The *kulaks* were said to have raised the slogan — ominously reminiscent of the slogan "Soviets without communists" at the time of the introduction of NEP — of "kolkhozy without communists",⁶ and to have invoked anti-Semitic prejudices in order to inflame the peasants against the authorities.⁷ References to "little *kulaks*" (*kulachniki*) who "dance to the tune of the *kulaks*", and "sub-*kulaks*" (*podkulachniki*) who carry out sabotage on their behalf,⁸ show the success of the well-to-do

¹ M. Vol'f, *Puti Rekonstruktsii Sel'skogo Khozyaistva* (4th ed. 1929), p. 111.

² *Na Agrarnom Fronte*, No. 12, 1928, p. 4.

³ *Derevenskii Kommunist*, No. 20(116), October 26, 1929, pp. 18-19.

⁴ *Na Agrarnom Fronte*, No. 1, 1928, p. 93.

⁵ *Izvestiya*, December 8, 1928; the report was quoted by Kalinin a few days later at the TsIK of the USSR (4 *Sessiya Tsentral'nogo Ispolnitel'nogo Komiteta Soyuza SSR 4 Sozyva* (1928), No. 24, p. 13).

⁶ *Istoricheskie Zapiski*, li (1955), 222.

⁷ *Pravda*, January 15, 1929.

⁸ *Ibid.* January 26, 1929; *Na Agrarnom Fronte*, No. 7, 1929, p. 7. For the attitude of poor peasants and *batraks* see p. 143 above.

peasant in winning support among the poorer strata for resistance to the policies of the régime. Party and Soviet institutions brought little aid to the poor peasant; "the *kulak* and sub-*kulak* touch the most sensitive chords".¹ In the growing hostility to party and régime now displayed in the countryside, some weight must also be given to peasant resentment against the urban worker. In the autumn of 1927 a writer in the Narkomfin journal had argued that the peasant was being exploited "in order to bring about a rise in the standard of living of the urban population".² *Kulaks* were quoted as saying that "the workers under the Soviet régime get fat, and the peasants get thin", and that "workers and employees live well at the expense of the peasants". In Penza province, a school-teacher, the daughter of a priest, was reported to have conducted propaganda on the theme that "the peasantry has become a colony of the working class".³ Insistence on the traditional conservatism of the peasant was a familiar theme among those who preached caution and gradualism.

The patriarchal-natural way of life [wrote Bazarov in 1928] is a fortress against the walls of which the waves of a cultural challenge beat in vain, in the recesses of which the peasant, like the snail in its shell, is almost impenetrable to the influence of the surrounding environment, and in any case beyond the limits of accessibility to state planning policy.⁴

The degree of solidarity between peasants of all categories, and of their mistrust of a party and government based primarily on the towns and insensitive to peasant concerns, was seriously underestimated.

In the atmosphere of tension which marked the atmosphere in the Soviet countryside in the spring and summer of 1929 the prospects of the harvest were a matter of acute concern. It was observed without surprise that, as in the previous year, the *kulaks* "go on conducting active propaganda for a curtailment of sowings".⁵ In 1929 for the first time every village Soviet received

¹ *SSSR : 5 S"ezd Sovetov* (1929), No. 16, p. 4.

² *Vestnik Finansov*, No. 9, 1927, p. 34.

³ A. Angarov, *Klassovaya Bor'ba v Sovetskoi Dereвне* (1929), pp. 38-39.

⁴ *Planovoe Khozyaistvo*, No. 2, 1928, p. 44.

⁵ *Ekonomicheskoe Obozrenie*, No. 1, 1929, p. 140; for appeals by *kulaks* to peasants to reduce their sowings and "sow only for themselves", reported in the provincial press, see A. Angarov, *Klassovaya Bor'ba v Sovetskoi Dereвне*

its "sowing plan" — a procedure described as "bringing the plan to the villages".¹ "Sowing conferences" were held between January and March at provincial, department and rural district level as well as in the villages. But they were mainly propagandist in character, and were said to have had "very little concrete business-like content".² Over 1,300,000 hectares in the RSFSR winter sowings, mainly of wheat, had perished in the spring frosts: the areas most affected were Bashkiria, and the Middle Volga, Central Black-Earth and North Caucasian regions. Autumn ploughing in preparation for spring sowings had, owing to weather conditions, been less extensive in 1928 than in 1927. In spite of these handicaps, the sown area in 1929, according to official reports, increased by 6 per cent (against the 7 per cent demanded in November 1928).³ Mikoyan put the rise in sowings in the individual sector of agriculture at 2.9 per cent; but his boast that the falling-off in *kulak* sowings had been more than compensated by the rise in those of the poor peasant had the same illusory quality as Kalinin's similar claim in the previous year.⁴ The possibility of meeting the call for a 3 per cent increase in yield per hectare was still more speculative; "serious doubts" on the subject were aroused by the failure to maintain an adequate supply of machines and fertilizers.⁵ And, however successful the harvest, the prospect of the grain collections, after the experiences of the two previous winters, seemed little short of desperate. The need for measures of the utmost rigour was scarcely denied. "We must first and foremost", declared Stalin at the time of the sixteenth party conference in April 1929, "liquidate the psychology

(1929), pp. 27-28. Stalin in April 1929 noted that "the *kulaks* are contracting their sowings", and ironically conceded that "for this the policy of the party is perhaps 'to blame'" (Stalin, *Sochineniya*, xii, 84).

¹ *Na Agrarnom Fronte*, No. 7, 1929, pp. 7-9.

² *Ibid.* No. 4, 1929, p. 29.

³ *Ibid.* No. 7, 1929, pp. 3-6; for the 7 per cent figure see p. 238 above.

⁴ *Bol'shevik*, No. 15, August 15, 1929, p. 20; for Kalinin's claim see p. 71 above. Households possessing three or more working animals were said to have contracted their sowings in 1929 by 5.5 per cent, their working animals by 11 per cent and their regular hired labour by 12.8 per cent. On the other hand, peasants without working animals increased their sowings by 9.4 per cent, and peasants with one animal by 3.5 per cent; of households which increased their sowings in 1929 48.7 per cent were without a horse (*Trudy Pervoi Vsesoyuznoi Konferentsii Agrarnikov-Marksistov*, i (1930), 298-300).

⁵ *Na Agrarnom Fronte*, No. 8, 1929, p. 11.

of the 'spontaneous flow' ".¹ This made it clear that the extraordinary measures of the two previous grain collections, though perhaps less widely advertised, would not be relaxed.

One device much publicized at this time was the despatch of "workers' brigades" from towns and factories to encourage and support the poor peasants. The "patronage" organizations, together with the special Leningrad "workers' societies for the cultural link between town and country", which dated from 1923 or 1924,² continued to function during this period; and groups of workers were despatched from time to time from the factories to the countryside to perform specific tasks or, in general, to carry the influence of the party and of the industrial worker into the remotest and most backward parts of the countryside.³ But an article in the journal of the party central committee admitted that the work had languished during the past two years, and called for the raising of funds, by voluntary deductions from wages and by working "communist Saturdays", to revive it.⁴ In the winter of 1928-1929 a fresh campaign was set on foot in connexion with the re-elections to the rural Soviets.⁵ "Hundreds of workers' brigades, thousands of proletarians", announced *Pravda* on January 1, 1929, "have already left for the countryside". Later they were said to be assisting in the grain collections, ploughing the land of poor peasants without payment, and bringing with them travelling repair shops for agricultural machines.⁶ On the fifth anniversary of Lenin's death, January 21, 1929, wagons bringing grain to the delivery points were adorned with appropriate slogans.⁷ Constant reports appeared in the press of the despatch of workers' brigades from the principal cities and factories to the countryside to aid in

¹ Stalin, *Sochineniya*, xii, 89; Mikoyan echoed this injunction a few weeks later: "Spontaneous flow in the grain collections must be excluded" (*Bol'shevik*, No. 15, August 15, 1929, p. 22).

² See *Socialism in One Country, 1924-1926*, Vol. 2, pp. 342-344.

³ For an account of the work of the Leningrad societies, based on unpublished archives, see *Voprosy Istorii KPSS*, No. 5, 1964, pp. 102-104.

⁴ *Izvestiya Tsentral'nogo Komiteta VKP(B)*, No. 34(255), November 22, 1928, pp. 10-11; for a further article on the defects of the "patronage" organizations see *ibid.* No. 37-38(258-259), December 31, 1928, pp. 3-4.

⁵ *Pravda*, December 7, 1928; the election campaign which will be discussed in a subsequent volume, included demands to improve the productivity of agriculture and to repel the assaults of the *kulaks* (*ibid.* January 1, 1929).

⁶ *Ibid.* February 12, 1929.

⁷ *Ibid.* January 31, 1929.

the grain collections.¹ The sixteenth party conference in April 1929 recorded its approval of "the initiative of the workers in sending workers' brigades into the countryside to give help to the poor peasant and middle peasant economy, to cooperate in the collectivization of agriculture and to strengthen the alliance of the poor and middle peasants in their struggle against the *kulaks*".² On May 27, 1929, the party central committee demanded a strengthening of trade union work in the countryside, with special reference to "the reinforcement of proletarian class policy in the cause of the socialist reconstruction of agriculture and of resistance to attempts at a counter-offensive by *kulak* elements";³ and Stalin in retrospect declared that "of all existing and potential propagandists of the kolkhoz movement the worker-propagandists are the best propagandists among the peasant masses".⁴ Attempts were made to organize "socialist emulation" between peasants of the Middle and Lower Volga regions and — less successfully — between the Siberian and North Caucasian regions, as well as between smaller units.⁵ But there is little evidence of the lasting efficacy of such methods.

More than six months later, in the first flush of the new policy, Stalin spoke of "the summer of 1929, when we reached the stage

¹ See, for example, *ibid.* February 28, 1929 (35 brigades from Leningrad, 65 from the Lugansk department, 85 from Dnepropetrovsk); April 4, 1929 (brigades from Moscow to Samara); June 22, 1929 (30 brigades despatched in April and May by the Moscow union of consumer cooperatives). For records of some brigades organized by the party or the Komsomol see G. Konyukhov, *KPSS v Bor'be s Khlebnymi Zatrudneniyami* (1960), pp. 191-199; for brigades organized by the trade unions see *Politicheskii i Trudovoi Pod'em Rabochego Klassa SSSR* (1956), pp. 405-406 (textile workers), 416-420 (railway workers), 423-424 (metal workers), 425-430, 433-437 (trade union central council).

² *KPSS v Rezolyutsiyakh* (1954), ii, 589.

³ *Izvestiya Tsentral'nogo Komiteta VKP(B)*, No. 17-18(176-277), June 29, 1929, pp. 13-15.

⁴ Stalin, *Sochineniya*, xii, 128.

⁵ *Na Agrarnom Fronte*, No. 7, 1929, pp. 11-12. For instances of "emulation" among rural workers see *Istoricheskie Zapiski*, xli (1952), 232-233, and the contemporary report in *Materialy po Istorii SSSR*, vii (1959), 264-266; on the other hand, the report noted cases in which emulation had been "limited to the solemn signing of an agreement, and further work to carry out the measures laid down in the agreement is neglected" (*ibid.* vii, 269). In May 1929 the party central committee announced the extension of the principle to Sovkhozy, kolkhozy and cooperatives (*Direktivy KPSS i Sovetskogo Pravitel'stva po Khozyaistvennym Voprosam*, ii (1957), 59-61). For "socialist emulation" among industrial workers see pp. 515-519 below.

of mass collectivization, when we reached the *break-through* in favour of the policy of the *liquidation* of the *kulaks* as a *class*".¹ It is true that the campaign against the *kulak*, which had begun in the winter of 1927-1928, was proclaimed and justified in terms of party doctrine, and that during this period party leaders more and more openly attacked the *kulaks* and hymned the virtues of collectivization. It is true that the political situation in the summer of 1929 favoured an active campaign for the collective solution. From 1925 to 1927 the challenge to the party line had come from the Left, from the champions of intensive industrialization, and had been met by official pleas not to press too hard on the peasant. In 1928 and 1929 the challenge to party unity came from the Right, from the cautious defenders of a well-to-do individual peasant economy, and was countered by redoubled insistence on the imperative need for a collective agriculture. Some passing embarrassment was caused by the need to distinguish between the current party line and the point of view, once so loudly condemned, of Trotsky and the "super-industrializers".² But the Trotskyite opposition had passed into history; and the swing of party policy to the Left had been a powerful factor in breaking up its surviving forces. In the summer of 1929 the Soviet leaders had firmly set their feet on the road to collectivization. The advance of agriculture on the basis of technical reconstruction and socialist reorganization was part of the *mystique* of the five-year plan.

The large-scale agricultural production which is being created on a new technical basis [wrote one commentator], the gigantic new tasks which are set for us by the rise of the productivity of labour in agriculture, demand the most attentive study. This field of work is literally virgin territory. The immense surge of technical scientific thought directed to the rationalization of the processes of production in industry has yielded enormous results in recent years. . . . The rationalization of labour in agriculture, the rationalization of the whole of

¹ Stalin, *Sochineniya*, xii, 179. At the sixteenth party conference in April 1929 Kaminsky had already called the past year a "break-through year (*perelomnyi god*) in the kolkhoz movement" (*Shestnadtsataya Konferentsiya VKP(B)* (1962), p. 391); Stalin's famous manifesto *The Year of the Great Break-Through* was issued for the twelfth anniversary of the revolution in November 1929.

² Molotov, in a speech of July 10, 1929, worked hard to dissociate "the offensive against the *kulak*" from the Trotskyite attitude of "panic in face of the *kulak*" (*Pravda*, July 20, 1929).

agricultural production must be the fighting slogan of the coming five years.¹

Yet this was still a long-term project, a cautious venture into unexplored territory. In spite of the campaign for the extension of kolkhozy and the offensive against the *kulaks*, both heavily intensified at this time, it is clear that nobody was yet thinking in terms of an immediate policy of mass collectivization or of the liquidation of the *kulaks*. The sudden decision reached at the end of 1929 was neither preconceived nor premeditated.

The view that force could not be used in dealing with the peasant was deeply rooted in party doctrine, going back to a much quoted passage in Engels's *The Peasant Question in France and Germany*, published in 1894.² Never since the introduction of

¹ *Ekonomicheskoe Obozrenie*, No. 3, 1929, p. 45.

² "When we acquire state power", Engels wrote, "we shall not think of expropriating the small peasants by force (whether with or without compensation), as we shall be obliged to do with the large land-owners. Our task in relation to the small peasants will consist first and foremost in converting their private production and private ownership into collective production and ownership — not, however, by forcible means, but by example and by offering social aid for this purpose." Even to the larger and richer peasants a way out was offered: "If these peasants will understand the inevitability of the ruin of their present mode of production . . . they will come to us, and it will be our duty, so far as lies in our power, to ease for them the transition to the new mode of production" (Marx & Engels, *Sochineniya*, xvi, ii, 454-455, 459). Lenin quoted the first of these passages on the eve of the October revolution in 1917: "Engels emphasized that socialists have no idea of expropriating the small peasant, that it is only *by force of example* that the advantages of mechanized socialist agriculture will become clear" (Lenin, *Sochineniya*, xxi, 112; Krupskaya, in her article of January 20, 1929 (see p. 246 above), recalled Lenin's habit of quoting this passage from Engels). In November 1918, when the revolution was a year old and the grain crisis acute, Lenin quoted both passages at length, and repeated: "In regard to the middle peasant we say: 'No constraint of any kind'. In regard to the big peasant we say: 'Our motto is submission by them to the grain monopoly, struggle against them when the grain monopoly is broken, when they conceal grain'" (xxiii, 308). At the eighth party congress in March 1919, Lenin recalled that some months earlier he had "even expressed the belief that it might perhaps be possible to do without repressions, without measures of constraint, in regard to the big peasantry"; but "in Russia this supposition has not justified itself: we have been, are, and shall be in a state of direct civil war with the *kulaks*". On the other hand, it was "through the inexperience of Soviet workers" that blows intended for the *kulaks* had fallen also on middle peasants: "here we have sinned exceedingly" (*ibid.* xxiv, 126-127). The resolution of the congress drafted by Lenin further emphasized this point: "In encouraging associations of every kind, and also agricultural communes, of middle peasants, the representatives of the Soviet

NEP had the coercion of the peasant seemed, even to those who stood on the Left wing of the party, a practicable expedient. Trotsky before the twelfth party congress in 1923 had written that "the whole wisdom of our party must be directed to ensure that this question — how much to take from the peasantry — should become, not a question of class struggle, but of agreement, of compromise";¹ and in 1925 Trotsky wrote of "the gradual transition to collective farming" which would be possible when the necessary "technical base" had been created.² Preobrazhensky's drastic analysis had been conducted within the framework of NEP and on the assumptions of a market economy; Preobrazhensky himself afterwards spoke of "the rapid conversion of millions of small peasant holdings to collective farms" as "a thing which none of us foresaw".³ "The proletariat never took, and never can take, as its goal", wrote Kritsman in the middle nineteen-twenties, "the forcible compulsion of the middle peasant to make the transition to socialized cultivation".⁴ The resolution of the fifteenth party congress, which launched the offensive against the *kulak*, drew attention to the advantage of large-scale cultivation, while "categorically pointing out that this transition can take place only if it is agreed to by the toiling peasants".⁵ Bukharin

power should not permit the slightest compulsion in founding such bodies. . . . Those representatives of the Soviet power who allow themselves to apply not merely direct, but even indirect, compulsion in order to attach peasants to communes, should be held strictly accountable and removed from work in the countryside" (*KPSS v Rezolyutsiyakh* (1954), i, 448; for the conclusions of this congress see *The Bolshevik Revolution, 1917-1923*, Vol. 2, pp. 163-164). A year later Lenin reiterated the warning: "The transition to collective cultivation must be carried out by the proletarian state power with the utmost caution and gradualness, by force of example, without the slightest constraint on the middle peasantry" (Lenin, *Sochineniya*, xxv, 272). Nor was his timetable unduly ambitious; the transformation of the peasantry would be the work of "generations" and of "decades", though not of "centuries" (*ibid.* xxvi, 239). Stalin afterwards explained away Engels's "at first sight exaggerated circumspection" on the ground that he was writing under a régime of private property in land (Stalin, *Sochineniya*, xii, 152-153); he did not refer to Lenin's pronouncements.

¹ Report of April 5, 1923, quoted in a memorandum of October 1926 (Trotsky archives, T 3013).

² See *Socialism in One Country, 1924-1926*, Vol. 1, p. 355, note 1.

³ *XVII S'ezd Vsesoyuznoi Kommunisticheskoi Partii (B)* (1934), p. 238.

⁴ L. Kritsman, *Klassovoe Rassloenie Derevni* (1926), p. 12.

⁵ *KPSS v Rezolyutsiyakh* (1954), ii, 475-476; for Stalin's and Molotov's pronouncements on the subject at the congress see pp. 40-41 above.

was following the orthodox party line when he told the Komsomol congress in May 1928 that collectivization did not mean "some sudden leap".¹

These assumptions continued to prevail when, in the summer of 1928, the issue of collectivization was discussed in connexion with the drafting of the five-year plan and with the rapid expansion of Sovkhozy and kolkhozy.

Does this mean [asked Stalin in June 1928] that we can now already transfer the centre of gravity to Sovkhozy and kolkhozy? No, it does not. The centre of gravity will remain at the present stage in the further improvement of the individual small and middle peasant holding.²

At the Union congress of kolkhozy in June 1928 Kalinin reiterated the theme of persuasion, not compulsion:

You cannot by administrative measures compel Petrov to sow hemp instead of oats. This must be done by one or another economic measure, in other words by some exemption in this particular case. For example, we are in extreme need of flax. The government strives by exemptions to encourage the development of flax cultivation. This is not mechanical compulsion, this is the creation of an economic interest, this is state encouragement.³

A plan worked out at this time in Narkomzem foresaw the collectivization of 1,200,000 peasant *dvors* in the five-year period; the share of the socialized sector in total agricultural production would rise from 2.5 to 10 per cent, and in the production of marketable grain from 7 to 21 per cent.⁴ In November 1928 *Pravda* in a leading article wrote anxiously of "ignorant attempts to solve the complex question of the conquest of capitalist elements in the countryside by administrative measures", and denounced

¹ *VIII Vsesoyuznyi S"ezd VLKSM* (1928), p. 30.

² Stalin, *Sochineniya*, xi, 123; for earlier comments on the continued importance of individual peasant holdings see pp. 78-79, 83 above.

³ Quoted in V. Yakovtsevsky, *Agrarnye Otnosheniya v SSSR* (1964), p. 170; for this congress and Kalinin's speech see p. 168 above.

⁴ *Pravda*, July 3, 1928; a similar estimate (1,300,000 *dvors* to be united into 60,000 kolkhozy) was discussed at a joint session of Kolkhoztsestr and the union of agricultural cooperatives and rejected as too ambitious (*Bednota*, June 23, 1928).

"tendencies towards open dekulakization" as dangerous.¹ Markevich, the enthusiastic creator of the MTS, emphasized again and again that the link between the stations and the individual peasants rested "exclusively on voluntary principles".²

The section of the first five-year plan on the collectivization of agricultural production rested on the same cautious premise. It assumed that "we are still feeling our way in this respect, the technical, constructive idea of a collective economy is still unclear", and that it would be imperative to harness "*the productive upsurge, the growth of the interests and the exertions, of the many-million masses of poor and middle peasants*". The plan as finally approved in April 1929 envisaged expansion of the socialized sector of agriculture (Sovkhozy and kolkhozy) from 2.3 million hectares in 1927-1928 to 27 million hectares (5 millions for Sovkhozy and 22 millions for kolkhozy) in 1933. But even this meant only that the socialized sector would produce 16 per cent of the total grain crop and (according to the optimum variant) 43 per cent of the marketable grain, and that some 5-6 million households with a total population of from 17-20 millions would have entered the kolkhozy: the individual economy would still play "a predominant rôle".³ "We should deceive ourselves", observed the planners sententiously in conclusion, "if we claimed that the socialized sector, in the dimensions in which it will exist at the end of the five-year period, will make it possible to neglect the production which will be brought to the market by groups of middle peasants."⁴ Strumilin, one of the most ardent planners, assumed that *kulaks*, middle peasants and poor peasants would continue to exist throughout the period of the first five-year plan.⁵ "Neither terror nor dekulakization," demanded *Pravda* at the head of a leading article, "but a socialist offensive on the paths of NEP."⁶ The time-table even of the most enthusiastic collectivizers was still relatively modest. "It is not a matter of a hundred years," declared Bauman, "but of one or two decades: that is the

¹ *Pravda*, November 2, 1928.

² A. Markevich, *Mezhselelnyye Mashino-Traktornyye Stantsii* (2nd ed. 1929), p. 60.

³ *Pyatiletnii Plan Narodno-Khozyaistvennogo Stroitel'stva SSSR* (1929), i, 59, 63; ii, i, 285; for detailed figures see *ibid.* ii, i, 299, 337.

⁴ *Ibid.* ii, i, 329.

⁵ *Planovoe Khozyaistvo*, No. 3, 1929, p. 36.

⁶ *Pravda*, June 2, 1929.

rhythm which we ought to maintain." In the Moscow region 25 per cent of the peasants would be collectivized during the period of the five-year plan ; it would take 20 years to collectivize them all.¹ Shlikhter looked forward to the collectivization of 30 per cent of Ukrainian peasant households and 25 per cent of the sown area by the end of the five-year plan and made the optimistic prediction that, in ten years' time, " we shall have, if not everywhere, at any rate in the Ukraine, an agriculture 100 per cent collectivized ".² It was light-heartedly assumed that the problem of the grain collections, and of feeding towns and factories, would not become unmanageable while the process went on.

The crucial factor which disturbed and nullified this vision of gradual and orderly evolution towards the goal of a collective agriculture was the now chronic and irremediable crisis of the grain collections ; and the motive force behind collectivization was the same empirical argument once used to justify NEP — the dire need for grain to feed towns and factories. Mikoyan in a gloomy article in *Pravda* admitted the unsatisfactory results of the collections.³ When the agricultural year ended on June 30, 1929, the situation had somehow been saved, and catastrophe — though by a hair's breadth — averted.⁴ But the magnitude of the crisis could no longer be gainsaid. In a period of increasing population, and rapidly increasing concentration of population in towns and factories, grain production was falling ; and the problems raised by the disposal of the crop were even more intractable. The main expedients employed during the past eighteen months to stimulate the grain collections — confiscation of stocks and tax pressure on the well-to-do peasant — had exhausted themselves, and little more could be hoped from them. Party authority in the countryside was at a low ebb. The grain which escaped the net of the official collections and reached the consumer through the private market was now sold at two or three times the official price. A further uncontrolled rise in free market food prices threatened the whole wages structure and the planned process of industrial expansion.

¹ *Pravda*, June 16, 1929.

² *Shestnadtsataya Konferentsiya VKP(B)* (1962), pp. 308-309.

³ *Pravda*, June 13, 1929.

⁴ See pp. 103-105 above.

Never since the winter which preceded the introduction of NEP had the prospect been so grim. A situation so completely out of hand bred a mood in which desperate remedies may well have seemed the only way out.

This mood of desperation was, however, crossed with a mood of defiant revolutionary faith, rendered perhaps all the stronger by the slenderness of the apparent grounds which supported it. The confident prognostications of the five-year plan encouraged the conviction that one supreme effort at this crucial turning-point would ensure victory. In this desperate impasse, the leaders snatched eagerly at the growing belief in the prospects of collective agriculture and in its capacity to meet the needs of a planned economy. The promise of higher harvest yields and increased marketability, based on the hope of a widespread proliferation of Sovkhozy and kolkhozy, found support in the rapid extension of mechanization and of the use of the tractor. Lenin's dictum that 100,000 tractors were all that was necessary to convince the peasant of the virtues of communism was the winged word which inspired the campaign for the "tractorization" of agriculture; and, though in the summer of 1929 the number prescribed by Lenin (which was in itself far from sufficient) had not been reached, the establishment of the MTS and the building of new factories for tractor construction suggested that the process was well under way. Mechanization, collectivization, and increased yields and marketability were all inter-dependent elements in the destiny of Soviet agriculture. *Kontraktatsiya* was the device through which the products of large-scale mechanized farming would be brought to the market. Land consolidation served as the instrument through which the scientific redistribution of land, new methods of cultivation and new rotations of crops could be brought to the peasant. Finally, the cooperatives made provision for the organized supply of seeds, implements and machines on credit, and the collective marketing of the crop. Through all these channels the principles of large-scale, collectively organized, up-to-date and efficient agriculture were seeping into the backward Russian village. The time was near for a decisive move forward.

This amalgam of fears, hopes and revolutionary faith had begun to dominate Soviet policy in the summer of 1929. If

industrialization was a condition of collectivization, collectivization was a condition of industrialization. The conviction gained ground that nothing but collectivization, which would bring agricultural production and the distribution of agricultural products under centralized public control, would in the long run feed towns and factories while industry developed its power and its productive capacity. In the two preceding years disaster had been narrowly averted. Gradualism was not enough. The position could, and must, be taken by direct assault. It was in this mood of mingled desperation and optimism, in the last weeks of 1929, that the fateful decision was taken, suddenly and with little apparent debate, to collectivize the mass of the peasantry by force and to liquidate the *kulaks* as a class.

B : *Industry*

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CHAPTER 12

INDUSTRIALIZATION IN PROGRESS

(a) *Industry in 1926*

By the economic year 1925-1926, industrial production had reached 90 per cent of its 1913 level. "Census" or "large-scale" industry, a category which consisted mainly of state-owned factory industry, suffered more from the effects of war and revolution than "small-scale" industry, which was primarily workshop and cottage industry worked by an individual family.¹ But census industry recovered much more rapidly than small-scale industry, so that in 1925-1926 the relative weight of the two categories in total industrial production was approximately the same as it had been in 1913.² Within census industry, the pre-war proportions had also been restored by the middle nineteen-twenties between Group A industries, concerned with the production of "means of production" or producer goods (capital goods), and Group B industries concerned with the production of "articles of consumption" or consumer goods.³ The official statistics showed that in 1926 Group A industries accounted for 44 per cent of total gross production against 41 per cent in 1913.⁴

While industry as a whole had almost recovered to the pre-war level by 1926, some industries were still suffering from the consequences of world war and civil war. The most important of these was iron and steel, which had failed to regain the pre-war level of production in spite of the impressive efforts which were made between 1924 and 1926.⁵ In the year 1925-1926, pig-iron output was only 2.2 million tons against 4.2 million tons in 1913, and

¹ For the terms "census" and "small-scale" industry, see Note D, p. 934 below.

² See Table No. 12 (b), p. 947 below.

³ For these categories, see Note D, p. 935 below.

⁴ *Sovetskoe Narodnoe Khozyaistvo v 1921-1925 gg.* (1960), p. 198.

⁵ For the restoration of the iron and steel industry, see *Socialism in One Country, 1924-1926*, Vol. 1, pp. 334-338, 344, 347-348; the lag in recovery was due partly to the closing down of plants in the early years of NEP.

rolled steel output was only 2.2 against 3.5 million tons.¹ In consequence, metal was in extremely short supply in the middle nineteen-twenties: Dzerzhinsky, the president of Vesenkha, pointed out at a Moscow party conference in December 1925 that Yugostal, the Ukrainian iron and steel trust, had succeeded in selling in advance by the autumn of 1925 more than its whole production programme for 1925-1926.² The pattern of production of producer goods had changed significantly. The railways and the armed forces were now much less important consumers of the products of industry than before the war. Expenditure on capital investment in the railways was relatively much smaller;³ and, though precise statistics are not available, it is also clear that the production of armaments had drastically declined.⁴ On the other hand by 1925-1926 the engineering industry was already producing as much as in 1913.⁵ In consequence of these changes, the engineering industry consumed a higher proportion of the smaller total supply of iron and steel than before the war, and railway construction and armaments consumed less.⁶ Within the engineering industry, important new lines of production were started or substantially developed during the recovery period.⁷ Though for many engineering products Russia was still almost exclusively dependent on foreign supplies, the beginnings of a new burst of expansion into fields of production previously covered by imports from western Europe and America date back to 1924 and 1925.⁸

Other differences from the pre-war pattern were due to social changes consequent upon the revolution. The elimination of the

¹ See Table No. 16, p. 951 below; the greater lag in the production of pig-iron was partly explained by the availability of scrap in what one writer described as the "large graveyards of metal which existed in the first years after the war in the army and in transport" (*Metall*, No. 12, 1928, p. 44).

² F. Dzerzhinsky, *Izbrannye Proizvedeniya*, II (1957), 185.

³ Total investment in transport and communications in the year 1925-1926 was less than two-thirds as large as investment in census industry; in 1903-1913 investment in the railways alone had been almost as large as investment in census industry (*Narodnoe Khozyaistvo SSSR* (1932), pp. xxx-xxxi; S. Strumilin, *Statistiko-Ekonomicheskie Ocherki* (1958), p. 623). ⁴ See pp. 426-427 below.

⁵ *Bol'shevik*, No. 4, February 15, 1927, p. 31.

⁶ Engineering consumed 31 per cent of pig-iron production in 1924-1925 and as much as 50 per cent in 1925-1926 (*Torgovo-Promyshlennaya Gazeta*, July 2, 1926).

⁷ For developments in the production of aircraft, tractors and agricultural implements, see *Socialism in One Country, 1924-1926*, Vol. 1, pp. 321-325.

⁸ These developments are further discussed on pp. 406-407 below.

very wealthy resulted in a decline in the demand for luxury goods such as precious stones, fine furs and expensive perfumes. Important changes also occurred within the mass market. The real money income of the peasant was smaller than before the revolution, while the urban worker was somewhat better off. As a result, the demand for manufactures intended for the village market was less than before the war, while manufactures for the mass urban consumer were in greater demand. The effects of all these social changes were complicated. Thus demand both for high-grade china which was bought by the well-to-do in the towns and for earthenware sold mainly in the villages fell off, while demand for ordinary china increased. Peasant demand for calico and cheap cottons declined and urban demand for dearer cottons increased. Industry adjusted itself imperfectly to these changes in the pattern of consumption: supply exceeded demand for some goods while others were scarce; the village consumer, even at his lower level of demand, tended to be kept short.¹

Attempts were made during the restoration period to modernize existing mines and factories. Work at the coal face was partly mechanized. In oil drilling, there was a substantial shift from 1924 onwards from primitive to modern methods.² But in spite of these developments, the United States and western Europe were further ahead in both quantity and technology of industrial production than in 1913. As more pre-war capacity was brought back into use, the necessity to move on from the restoration (*vosstanovlenie*) of industry to its reconstruction (*rekonstruktsiya*) became an immediate issue. At the fourteenth party congress in December 1925, Stalin declared:

The main thing in industry is that it has already approached the limit of pre-war standards; further steps in industry involve developing it on a new technical foundation, utilizing new capital equipment and embarking on the new construction of factories.³

Stalin's assessment was not quite accurate. According to careful estimates, on October 1, 1925, 13.5 per cent of the fixed capital

¹ See discussion in *Torgovo-Promyshlennaya Gazeta*, October 13, 14, 19, November 13, December 14, 1926.

² For a survey of technical conditions in major industries see *Pervye Shagi Industrializatsii SSSR 1926-1927 gg.* (1959), pp. 84-190.

³ Stalin, *Sochineniya*, vii, 315.

of Union and republican trusts in the Ukraine and the RSFSR was not in use ; a year later, the figure still stood at 9.5 per cent.¹ Moreover, at this time little attention had been given in most industries to the possibility of using existing capacity more intensively by increasing the number of shifts worked. In some important industries it was not the absence of spare capacity which was the greatest immediate problem but the scarcity of materials.² In most major consumer goods industries, the supply of agricultural raw materials determined the level of production : the woollen and silk industries recovered slowly because wool and silk were scarce ; the linen industry advanced rapidly because flax production recovered quickly and its export declined ; fluctuations in sugar output closely followed fluctuations in the beet harvest. Other consumer goods were adversely affected by poor supplies of materials from industry, particularly by the metal shortage. Even in some large engineering factories it was not shortage of capacity but shortage of metal which hindered the expansion of production ; and, for the time being, the metal shortage could be overcome by restoring and improving existing capacity without investment in the " new capital equipment " and " new construction of factories " of which Stalin spoke.

But in industries such as oil and coal, substantial investment in new capital equipment had already been undertaken during the period of restoration ; and by 1926 many industries were reaching the limits of their existing capacity. It was clear that the need to provide new capacity would become the main problem within two or three years. Moreover, by 1926 the industrial and political leaders were already committed to a policy of transforming the USSR into a self-sufficient modern industrial nation ; the new industries and factories which were planned required substantial initial investments on which there could be no immediate return ; and these investments were necessarily expensive, if only because they were to be directed towards new types of production in which Russian and Soviet knowledge and experience were limited. Some progress had already been made. In 1925-1926, capital invest-

¹ *Ekonomicheskoe Obozrenie*, No. 10, 1929, p. 134.

² See the analysis of the effect of supply of materials, demand, and available capacity on production in different industries in *Perspektivy Promyshlennosti na 1925-26 Operatsionnyi god* (1925), pp. 28-50.

ment in census industry was equal to or greater than the average annual investment in the last decade before the war.¹ This achievement, gained without the injections of foreign capital which benefited pre-war industry, was a first fruit of the control already exercised by the state over the peasant and over the economy at large.

Even optimists did not believe, however, that investment in industry of this order of magnitude would secure a rate of increase in industrial production of more than ten per cent a year,² somewhat higher than in boom years before the war. In 1926, such a modest rate of progress was accepted by the political leaders with considerable reluctance; it was soon to be regarded as completely inadequate. Moreover, only about one-seventh of investment in industry was spent on the construction of new factories in 1925-1926,³ and, even if this sum had been directed towards major new projects, it would have been enough only for the construction of, say, one modern iron and steel works with a capacity of a million tons. In fact, it was nearly all spent on the construction of small factories which could be quickly erected. The difficulties were succinctly acknowledged by Stalin at the fourteenth party congress in December 1925:

This is a very difficult matter. To cross this boundary, to go over from a policy of maximum utilization of everything we already had to a policy of building a new industry on a new technical basis, on the basis of the new construction of factories, to cross this boundary requires a large amount of capital.⁴

The crux of the economic problems of 1926 and after was the need to achieve, in an agrarian environment, a substantially higher level

¹ The principal estimates may be found in S. Strumilin, *Ocherki Sovetskoi Ekonomiki* (1928), pp. 65-181; *Vestnik Finansov*, No. 3, 1927, pp. 9-20; and *Problemy Dolgosrochnogo Kreditovaniya Promyshlennosti*, ed. A. Sokolov (1928), pp. 30-31; for comments on Strumilin's estimates, see *Balans Narodnogo Khozyaistva SSSR 1923-24 goda* (*Trudy Tsentral'nogo Statisticheskogo Upravleniya*, xxix) (1926), pp. 89-99. Such estimates are necessarily tentative: the authors had difficulty in making the pre- and post-war coverage of industry comparable, in adjusting for frontier and price changes, and above all in allowing for depreciation.

² For this figure see for example *Torgovo-Promyshlennaya Gazeta*, October 27, 1926; for a lower figure see p. 284 and p. 286, note 1 below.

³ SSSR: *God Raboty Pravitel'stva* (*Materialy k Otchetu za 1925-26 Byudzhethnyi god*) (1927), col. 200.

⁴ Stalin, *Sochineniya*, vii, 315.

of investment in industry, and to direct this investment towards the construction of new factories.

(b) "*Smooth and Stable Growth*", 1926-1927

A policy of industrialization which emphasized the importance of the production of means of production had been sanctioned by the fourteenth party congress in December 1925 and was reiterated at the session of the central committee in April 1926.¹ The annual mass demonstrations on May 1, 1926, were distinguished by the appearance of a large number of slogans hailing industrialization.² But support for industrialization was tempered by an equal insistence on the necessity for maintaining intact the link with the peasantry; growth must be combined with equilibrium.³ The prevailing view was outspokenly expressed by Dzerzhinsky, who was president of Vesenkha from February 1924 after the death of Lenin until his own death in July 1926. In January 1926, Dzerzhinsky issued a circular enthusiastically approving the decisions of the fourteenth party congress on industrialization.⁴ Nevertheless, at the session of the party central committee in April 1926 he accused Kamenev and Trotsky of wanting to replace the policy of "face to the countryside" by what he described as a pseudo-industrialization programme of "fist to the countryside". He insisted that the worker-peasant alliance was not an empty formula, but the foundation of Soviet power; the state sector would therefore have to earn its own resources to finance industrialization.⁵ In a speech to a congress of labour departments of trusts early in July 1926, Dzerzhinsky bluntly asked the question "*At whose expense should our industrialization be carried out?*", and asserted that "even the existing relation is too burdensome for the peasantry"

¹ See *Socialism in One Country, 1924-1926*, Vol. 1, pp. 352-357, 508-509.

² E. Burdzhakov, *SSSR v Period Bor'by za Sotsialisticheskuyu Industrializatsiyu Strany (1926-1929 gg.)* (1940), p. 35.

³ The need to restrain the pace of industrialization rather than damage the link with the peasants was stressed even in the journal of the Red directors (see *Predpriyatie*, No. 1, 1926, p. 6).

⁴ F. Dzerzhinsky, *Izbrannyye Proizvedeniya*, ii (1957), 237.

⁵ *Ibid.* ii, 259-269; see also *Socialism in One Country, 1924-1926*, Vol. 1, p. 535.

We must say clearly and precisely that all the tasks facing the working class and Soviet power can be solved only by labour, by labour organization, by using in our country under our government the high level of technology which has been achieved in capitalist countries. . . .

This is the source of our accumulation.¹

By the spring of 1926, the industrializers and the planners had already made a significant impact, and looked forward to substantial progress in 1926-1927. At the first Gosplan congress in March 1926, Groman assessed the year 1925-1926, in spite of its initial difficulties, as a springboard for a new phase in Soviet economic development, in which the improved use of existing capacity would be combined with the initial steps in the reconstruction of the economy.² A Vesenkha order of April 29, 1926, setting out procedures for compiling the 1926-1927 industrial plan, also stressed that 1925-1926 was to be the last year of the period of taking up existing capacity ; 1926-1927 would be "a decisive year" in which "the programme of capital expenditure must be put at the centre of the industrial plan".³

In view, however, of the still widespread scepticism and conservatism about the control figures and the whole process of annual planning, Gosplan was determined to give no further ground for charges against it of irresponsibility and exaggeration. Smilga, as deputy president of Gosplan, managed to combine confidence in industrialization with great circumspection when he presented the preliminary directives of Gosplan to the Union conference on the control figures which opened on May 19, 1926. He made a firm declaration of principle :

We must orient ourselves on our own resources ; we must act like a country which does not wish to turn into a colony, we must *force* (forsirovat') *the industrialization* of the economy. Because we are behind Europe and have started to re-equip later, we must firmly state that the *path of increased development of industry is the shortest and only path to the improvement of our national well-being*.

¹ *Torgovo-Promyshlennaya Gazeta*, July 8, 1926.

² *Problemy Planirovaniya (Itogi i Perspektivy)* (1926), pp. 231-232 ; for this volume see p. 852, note 3 below.

³ *Torgovo-Promyshlennaya Gazeta*, April 30, 1926 ; for a further reference to this order see p. 825 below.

In his practical proposals, however, Smilga was less bold. On the key question of the level of capital investment in industry for 1926-1927, he proposed the conservative figure of 800 million rubles, which was substantially smaller than the proposals hitherto in circulation in Gosplan and Vesenkha, and only slightly higher than the investment expected in the current year 1925-1926; ¹ he stressed, however, that priority should be given to investment in industries producing means of production. He also suggested a modest rate of increase in industrial production: 15 per cent in census industry, and less in small-scale industry.² Preliminary directives of Gosplan based on these figures were noted, though not formally approved, by a joint meeting of Sovnarkom and STO on June 28, 1926.³ This caution in Gosplan met with a more ready response, or at least with less violent antagonism, from Narkomfin.⁴ Grinko, who at this time worked in the Gosplan of

¹ The following table (in million rubles at current prices) summarizes the various proposals for capital investment in "Vesenkha-planned" industry in 1926-1927:

Actual investment in 1925-1926	811
Osvok proposal for 1926-1927, early 1926	1549
Industrial section of Gosplan (in discussion of five-year plan), early 1926	1200
Gosplan (draft of the five-year plan), March 1926	900
Gosplan (preliminary directives), May-June 1926	800
Ukrainian Gosplan, July 1926	900
Vesenkha (Shtern commission), July 19, 1926	916
Gosplan (control figures), August 1926	845
Narkomfin, August 1926	700
Sovnarkom, September 28, 1926	minimum 900 (part in reserve)
Fifteenth party conference, October 1926	900
Vesenkha, December 1926	947
Industrial section of Gosplan, January 1927	925
Party central committee and Sovnarkom, February 1927	947 (part in reserve)
Final allocation, August 1927	991
Actual investment in 1926-1927	1068

For similar tables for 1927-1928 and 1928-1929 see pp. 296, note 5 and 314, note 1 below; for the term "Vesenkha-planned industry" see Note D, p. 934 below. These figures are for gross investment, including expenditure on capital repair.

² For the conference and resolution see *Torgovo-Promyshlennaya Gazeta*, May 21, 22, 23, 28, 1926; *Ekonomicheskaya Zhizn'*, May 21, 23, 1926; see also p. 811 below. The figures given here and elsewhere in this volume for industrial production and investment are for Vesenkha-planned census industry, unless otherwise stated.

³ See pp. 4-5 above and 811 below.

⁴ See for example Yurovsky's retrospective comment in *Vestnik Finansov*, No. 12, 1926, p. 6.

the Ukraine, also supported Smilga's approach in principle, and commented that "our Soviet public opinion should be taught that we must go at a less rapid pace". Nevertheless, a representative of the Ukraine could be relied on not to be behindhand in his appreciation of the importance of heavy industry, and Grinko's proposals — an increase in industrial production by some 15-20 per cent, and capital investment in industry amounting to about 900 million rubles — were substantially higher than Smilga's.¹

The reaction of the Vesenkha of the USSR was more strongly critical. Early in June 1926, Shtern, an ex-Menshevik who was Pyatakov's deputy in the commission of Vesenkha responsible for preparing its annual control figures and plans, stated that the investment and import figures were too low to yield the proposed increase of 15 per cent in industrial production: in particular, the investment proposals for oil, coal, metal and building materials were inadequate.² In June and early July 1926, the *glavki* and departments of Vesenkha prepared their own proposals for the year 1926-1927; and these were coordinated into a draft set of control figures which proved to be substantially more ambitious than the directives of Gosplan. They proposed that the capital investment planned for industry should be raised from 800 to 916 million rubles, and that industrial production should increase not by 15 but by 16-17 per cent; production of Group A industry should increase by 24 per cent, of Group B by only 12-13 per cent.³

At this point the argument between Vesenkha and Gosplan became entangled with the political controversy between the party majority and the newly founded united opposition. The "declaration of the 13", presented to the session of the party central committee which met from July 14 to 23, 1926,⁴ argued that state industry was lagging behind national economic development as a whole, and that socialism could not be achieved except by "systematically bringing the country up to the technical level of the leading capitalist countries". Though "everything should be

¹ *Khozyaistvo Ukrainy*, No. 7, 1926, p. 17.

² *Torgovo-Promyshlennaya Gazeta*, June 4, 1926; for the appointment of Pyatakov and Shtern, see *ibid.* April 30, 1926. Shtern, a former Narkomfin official, was the head of the finance department of Vesenkha.

³ *Ibid.* July 20, 1926; on the accuracy of the division into Groups A and B, see Note D, p. 935, notes 3 and 4 below.

⁴ For this session and the declaration of the 13 see pp. 5-6 above.

subordinated to this task, equally vital for the proletariat and for the peasantry", in practice what was happening was quite different; "the resolution of the fourteenth congress about industrialization is in fact more and more being made to take a back seat". While the question of industry as such was not on the agenda, Pyatakov, who was deputy president of Vesenkha as well as president of the Vesenkha commission on the 1926-1927 control figures, found an opportunity in the debate about grain collections to argue that industry should be expanded more rapidly, and proposed that the wholesale prices of industrial goods should be increased to finance this expansion.¹

On July 19, 1926, while these proceedings of the central committee were in progress, the presidium of Vesenkha met to discuss the Vesenkha draft of the control figures for 1926-1927. Shtern declared in his opening report that any reduction of the proposed capital investment figure of 916 million rubles was "impossible and would have a severe effect on the development of industry". During the discussion, Dzerzhinsky sharply criticized Shtern's proposals, evidently interpreting them as reflecting the "super-industrialist" policies of Pyatakov:²

The plan which comrade Shtern has presented to us is a maximum maximorum, and it must not be regarded in any way as a plan which can be treated as a minimum plan. It is evidence of the fact that our industrial organizations have so far not taken the general state position sufficiently into account; their claims hang in the air, they grab greedily, not taking the real possibilities into account.

He also pointed out that the goods famine would get worse if the proposal to increase Group A production much more rapidly than

¹ Kamenev's and Pyatakov's speeches are not available. References to them occur in Rykov's speech of August 11, 1927 (*Pravda*, August 17, 1927); Dzerzhinsky's speech of July 20, 1926 (*ibid.* August 1, 1926); *Bol'shevik*, No. 21-22, November 30, 1926, p. 17; *ibid.* No. 7-8, April 15, 1927, p. 48. For Pyatakov's proposals on wholesale prices see p. 680 below.

² It is not clear whether Pyatakov's speech at the central committee was delivered before or after the meeting of the presidium of Vesenkha. He was listed as present at the Vesenkha meeting (*Protokol Zasedaniya Prezidiuma VSNKh SSSR, 1925-1926*, No. 10, art. 320), but was not mentioned in the press report of its proceedings; the following day Dzerzhinsky complained at the central committee that "Pyatakov left our sitting of the presidium when the examination of the control figures was taking place" (*Pravda*, August 1, 1926).

Group B production were put into effect, and again emphasized the importance of maintaining the level of real wages and reducing retail prices of industrial goods. He insisted that draft control figures should not be used by the trusts as a basis for their planning unless he personally gave specific permission. Dzerzhinsky apparently received little active support in the presidium. In the newspaper account of the proceedings, only one speaker was reported as suggesting any reduction in Shtern's proposals. Among the leading party members in Vesenkha, Lobov, president of the Vesenkha of the RSFSR, said that "the control figures must be accepted and the trusts must be guided by them", and Mezhlauk, then deputy president of Glavmetall, declared that it would be wrong to cut investment in fuel, metal and transport because this would harm development in future years. For the moment, however, Dzerzhinsky's strictures prevailed. The presidium of Vesenkha decided to set up a commission to re-examine the existing control figures, which were characterized by the presidium as "maximum figures, requiring considerable efforts from industry and all sectors of the economy". The commission was instructed to prepare a second or minimum variant, "based on the present financial position and the state of all the economy as a whole"; the minimum variant, which was to be submitted to Dzerzhinsky, was to be used as the basis for the work of enterprises until the plans for the forthcoming year had been approved.¹

On the next day, July 20, 1926, Dzerzhinsky made a bitter onslaught on Pyatakov at the resumed session of the party central committee. He accused Pyatakov of holding the view that everything was all right in industry except for its shortage of money, and asserted that Pyatakov's own wastefulness was illustrated by the fact that he had asked on some previous occasion for 42 million rubles for an unnecessary rubber factory. It was wrong to be afraid of the well-being of the countryside; and expenditure on education and defence could not be reduced:

All the data and conclusions of the opposition are grounded not in facts, but in the wish to hinder at all costs the creative work begun by the Politburo.²

¹ *Torgovo-Promyshlennaya Gazeta*, July 20, 1926; *Protokol Zasedaniya Prezidiuma VSNKh SSSR, 1925-1926*, No. 10, art. 320.

² *Pravda*, August 1, 1926.

Dzerzhinsky was later said to have been particularly angry with "some comrades" (evidently Pyatakov), because they had broken their promise "to put the interests of business-like work on the restoration of the economy, especially industry, before opposition warfare". He was taken ill and left the meeting, but continued to receive reports of the speeches; he died of a heart attack at 4.40 p.m., three hours after his speech.¹

The death of Dzerzhinsky marked the end of a period in the history of Vesenkha. The assumption that the demands of industrialization could be realized within the framework of the link with the peasantry was still not challenged. But after Dzerzhinsky's death Vesenkha began to present its demands for industrial expansion in a far more imperative form. On the eve of his death, his objections to the control figures of industry had been out of line with the prevailing mood in the presidium of Vesenkha. Within a week of his death, the resolution of the Vesenkha presidium requiring the re-examination of the control figures, which had been adopted at his instigation, was silently ignored; the figures were submitted to Gosplan without significant change.² A week later the appointment of Kuibyshev as president of Vesenkha was announced.³ His appointment did not ostensibly portend any reversal of policy, especially since Pyatakov was removed from his post as deputy president at the same time. But at a time when the demands of industrialization gradually came to be recognized as paramount, Kuibyshev proved to be a strong advocate of the claims of industry.

During August and September 1926 a marked shift occurred in official policy towards industry. The party leaders, though they had beaten off the onslaught of the united opposition, were none the less impressed by the need to show themselves reliable champions of industry and of the proletariat. On August 3, 1926, within a fortnight of the end of the session of the central committee, a directive of Sovnarkom required that in 1926-1927 the budget allocation to capital investment in industry should be higher than in the previous year.⁴ During August, an increase in industrial wages was announced and the pressure of the régime of economy

¹ *Torgovo-Promyshlennaya Gazeta*, July 21, 1926; Menzhinsky in *Pravda*, July 20, 1927.

² *Torgovo-Promyshlennaya Gazeta*, July 29, 1926.

³ *Pravda*, August 6, 1926.

⁴ For this directive see p. 742 below.

on the workers was relaxed.¹ Gosplan, which had been engaged in collating proposals from government departments and from the republics and regions, now showed some anxiety to protect itself against the charge of too conservative an approach. In the official volume of the control figures for 1926-1927, approved by the presidium of Gosplan on August 16, 1926, the proposed figure for capital investment in industry was increased to 845 million rubles, some 45 million rubles greater than in its proposals of the previous May; even so, this represented only a small percentage increase over the amount which was by then expected to be invested in industry in 1925-1926.² The ensuing clash ranged Vesenkha against the other commissariats. At a session of Sovnarkom and STO on August 20, 1926, Gosplan and the main commissariats reported on their proposals for 1926-1927. Kuznetsov, deputy People's Commissar for Finance, reminded the meeting of the "great discrepancy between the draft control figures and the actual course of development of the economy" in 1925-1926, criticized the whole concept of annual currency and credit planning, and proposed a maximum investment of 700 million rubles. Shtern stood out for a figure of 910 million rubles, approximately the same amount as Vesenkha had proposed in July. The spokesman for Narkomzem argued that the proposed balance of industrial production neglected the needs of agriculture, and predicted a shortage of industrial goods which might have an unfavourable influence on agricultural prices; he recommended "increasing by 2 or 3 per cent the rate of growth of industries producing mass consumer goods, and reducing correspondingly the rate of growth of that part of industry which produces technical equipment and means of production". The Narkomtorg spokesman supported an investment in industry of 850 million rubles as "completely realistic", but suggested it should be concentrated in the export industries and those reworking agricultural materials. Spunde, the representative of Gosbank, argued that Gosplan was advocating an "overstrained unrealistic budget".³

¹ See pp. 335-336, 521-522 below.

² *Kontrol'nye Tsifry Narodnogo Khozyaistva na 1926-1927 god* (1926), pp. 28, 336.

³ The session was reported in *Pravda*, September 3, 1926; *Torgovo-Promyshlennaya Gazeta*, September 2, 1926; for Kuznetsov and Spunde see pp. 735, 774-775 below.

The session adjourned for three weeks without any decision having been reached. In the interval, the principal interested parties prepared for further battle. Narkomfin elaborated its views in a published note.¹ Between August 21 and 24, 1926, a conference called by Gosplan endorsed the Gosplan proposals with some minor amendments.² At a meeting held by the presidium of Vesenkha on August 27, 1926, Shtern reported "substantial disagreements" between Vesenkha and Gosplan: the cuts in imports and in capital investment in industry proposed by Gosplan would result in a lower rate of expansion in 1926-1927, particularly in the metal industries, and would produce a rate of growth of 5-7 per cent in the following year 1927-1928 instead of the 10-12 per cent proposed by Vesenkha. Kuibyshev, appearing at the presidium of Vesenkha for the first time, agreed that the figures proposed by Vesenkha should be defended in Sovnarkom and STO: he rather coolly suggested that the directive should be to "*defend the decisions adopted under F. E. Dzerzhinsky*". At the same time he argued that the disagreements with Narkomfin, and possibly with Narkomtorg and Narkomzem, were greater than those with Gosplan. The presidium resolved to "approve the control figures in the amounts accepted by the decree of the presidium of the Vesenkha of the USSR dated July 19"; there was now no mention of either a revised or a lower variant.³ The resumed session of Sovnarkom and STO on September 8, 1926, opened fairly quietly, and turned on the question of costs and prices. Rudzutak, in the chair as a deputy president of Sovnarkom,⁴ made what was evidently a prepared intervention. He praised the control figures as "a great achievement in comparison with last year", but criticized them on a number of counts. The Sovnarkom directive of August 3, 1926, was not reflected in the control figures. In particular capital investment in industry showed hardly any increase over the previous year: "the basic directives in support of industrialization have not been carried out". A resolution was passed rejecting the control figures proposed by Gosplan on the

¹ *Torgovo-Promyshlennaya Gazeta*, August 26, 1926.

² *Informatsionnyi Byulleten' Gosplana SSSR*, No. 9, 1926, p. 24.

³ *Protokol Zasedaniya Prezidiuma VSNKh SSSR, 1925-1926*, No. 11, art. 361; *Torgovo-Promyshlennaya Gazeta*, August 29, 1926. An article giving details of the points on which Vesenkha disagreed with Gosplan appeared in *ibid.* September 14, 1926.

⁴ For Rudzutak see p. 87, note 6 above.

grounds that they had not paid sufficient attention to the August directive, and proposing an increase in the budget allocation to industry which would make possible "a greater increase in the capital expenditure of industry and an increase in the production of light industry".¹ On September 28, 1926, a further Sovnarkom meeting instructed Narkomfin and Gosplan to plan for a minimum industrial investment of 900 million rubles.² Thus the outcome of the discussions was to overrule both Gosplan and Narkomfin in favour of the Vesenkha proposals and the higher rate of industrialization which they involved.³

This shift in policy seemed to the united opposition to be of minor significance. The article by "Maizlin", written in August 1926, attacked Bukharin's argument that the relative and absolute growth in the size of industry was proof of satisfactory progress, and drew attention to the worsening goods famine and the rise of unemployment; Maizlin suggested that wholesale prices might gradually be raised by 30 per cent, and that the 1200 million rubles which this made available to the state could be used primarily to finance the expansion of industry.⁴ Maizlin's proposals were contemptuously dismissed by the official spokesman. A reply published in the same issue of *Bolshevik* pointed to the inconsistencies in a policy which in effect simultaneously supported maximum consumption and maximum accumulation, and simultaneously asked for an increased emphasis on producer goods and for more consumer goods to relieve the goods famine:

On the one hand, a severe puritan "super-industrialism", a holy hymn to "socialist accumulation".

On the other hand, the basest *consumptionist demagogy*.⁵

¹ *Pravda*, September 21, 1926; for the resolution see also p. 742 below.

² *Torgovo-Promyshlennaya Gazeta*, October 1, 3, 1926.

³ Remaining disagreements were ironed out at two joint meetings of Vesenkha and Gosplan during October (*ibid.* October 14, 23, 1926). Agreement was reached that 30 million of the 900 million rubles should be kept in reserve and not included in the plans of particular industries, and that a further 70 million rubles, while included in the plans of industries, should be treated as a second priority category which would not be spent until it was certain that all the resources required for the first priority category would in fact be available (*Pravda*, December 17, 1926).

⁴ For this article see p. 10 above; for its implications for price policy see pp. 681-682 below.

⁵ *Bol'shevik*, No. 18, September 30, 1926, p. 128.

A discussion on the control figures for 1926-1927 held at the Communist Academy on September 26 and 27, 1926, which was opened by Milyutin, was used by the opposition as an opportunity for a public attack on official economic policies. Speaking from the standpoint of the opposition, Smilga flung off the caution which he had shown earlier in the year as the official of Gosplan responsible for preparing its control figures ; he now argued that the proposed level of capital investment in industry would result in a rate of growth in the next two years quite inadequate for the new stage on which the economy was entering.¹ Preobrazhensky called for increased budgetary allocations to capital investment in industry.² The speeches of the opposition spokesmen were dominated by the belief that the party majority lacked the will or the ability to enforce a policy of industrialization : Pyatakov accused Milyutin of holding "a 'restoration' ideology".³ But the discussion made it clear that one section at least of the party majority was firmly committed to a policy of stepping up the pace of industrialization ; Kraval, head of the department of labour economics of Vesenkha and a forceful champion of the interests of industry, attacked the proposals for the financing of industry made in the Gosplan control figures for 1926-1927 as a " tremendous mistake ", which had now been corrected by the party central committee.⁴ Solntsev, an opposition speaker, pointed to the paradox that " comrade Smilga, who was a super-industrialist, has been turned . . . into an 'under-industrialist' , while comrades Milyutin and Kraval have come forward in the rôle of super-industrialists, demanding an increase in the capital investment figure proposed by Gosplan ".⁵

The opposition onslaught on official policies reached its climax at the end of September and during the first few days of October. At a meeting addressed by opposition leaders held at the Aviapribor factory in Moscow on October 1, 1926, Zinoviev returned to the theme that investment in industry must be increased. Unlike Maizlin, he apparently said nothing about raising prices ; but he

¹ *Vestnik Kommunisticheskoi Akademii*, xvii (1926), 196-200 ; he predicted that production would increase by only 5-7 per cent in 1927-1928. Two months later, he was replaced as a deputy president of Gosplan by Kviring, who was transferred from Vesenkha (*Torgovo-Promyshlennaya Gazeta*, November 28, 1926).

² *Vestnik Kommunisticheskoi Akademii*, xvii (1926), 232. ³ *Ibid.* xvii, 209.

⁴ *Ibid.* xvii, 240 ; for the department of labour economics see p. 356 below.

⁵ *Vestnik Kommunisticheskoi Akademii*, xvii (1926), 244.

argued that an extra milliard rubles could be obtained by cutting expenditure on the bureaucracy by 500 million rubles, and increasing taxation of the *nepman* and the *kulak* by another 500 millions : the proceeds could be shared between increased wages and increased industrial investment.¹

The fifteenth party conference, which met from October 26 to November 3, 1926, was also dominated by the clash between the opposition and the party majority.² The debate on the economic situation, in which the opposition did not take part, was uneventful. The main exchanges with the opposition took place in the debate opened by Stalin on the "social-democratic deviation" in the party. Stalin strongly defended the line that "industry must not be torn apart from agriculture". In contrast to the capitalist method of industrialization, the socialist method of industrialization would be based on the "*continuous improvement* of the material position of the masses", and would lead to the "smoothing out and overcoming" of internal contradictions. Stalin accused the opposition of failing to recognize that "industry must not be promoted through neglect or violation of the interests of agriculture", and of wanting to follow "capitalist methods of industrialization".³ In the subsequent discussion, Trotsky again drew attention to the danger that state industry would lag behind national economic development as a whole, so that the goods shortage would be aggravated, and argued that the correct policy was to put economic pressure on the *kulak*, and to protect the worker by permitting a modest rise in wages to precede rather than to follow the raising of labour productivity :

The acceleration of industrialization, in particular by higher taxation of the *kulak*, will yield a larger quantity of commodities, which will lower retail prices, and this will be profitable both for workers and for the majority of the peasantry.⁴

Osinsky, a former supporter of the opposition, defended the slogan of socialism in one country on the grounds that it transferred the

¹ This proposal was cited by Rykov at the fifteenth party conference (*XV Konferentsiya Vsesoyuznoi Kommunisticheskoi Partii (B)* (1927), p. 128 ; the Aviapribor meeting was reported in *Pravda*, October 3, 1926.

² For the events leading up to the conference see p. 10 above.

³ Stalin, *Sochineniya*, vii, 286-288.

⁴ *XV Konferentsiya Vsesoyuznoi Kommunisticheskoi Partii (B)* (1927), pp. 505-507, 514.

emphasis from the imminence of the world revolution to the fact that "we are building real socialism here", and maintained that economic development before the revolution had provided the foundation, as long as war was avoided, for a steadily accelerating economic advance.¹ The resolution on the economic situation firmly rejected the policy of the opposition, but, while admitting the prospect of "an interval in which the rate of growth will be considerably less than in previous years", urged that it was essential to "strive in a relatively minimum historical period to catch up and then to surpass the level of industrial development of the advanced capitalist countries". Success depended on the accumulation within the USSR of resources for investment; while in the long run these resources must come primarily from industry itself, in the immediate future resources should also be allocated to industrialization from the budget, and personal savings should be increased; the resolution gave, however, no indication of possible sources for the proposed extra accumulation through the budget. The resolution formally endorsed the plans for investment in industry and industrial production in 1927-1928 which had already been approved by Sovnarkom.²

The defeat of the united opposition did not result in any slackening of the pressure for industrialization. The general economic situation in the autumn of 1926 seemed propitious to further advance. Gosplan referred to the atmosphere at the end of the economic year 1925-1926 as "characterized by features directly opposite to those at the beginning": "a smooth and stable growth of industrial production" had accompanied the satisfactory harvest; real wages were rising, but purchasing power was not excessive, so that goods were less scarce on the market and stocks were beginning to form; the foreign trade balance was favourable. These trends were said to have continued till the end of the calendar year, with productivity in industry rising more rapidly than money wages.³ Throughout the period from the fifteenth party conference in October 1926 to the fourth Union

¹ *XV Konferentsiya Vsesoyuznoi Kommunisticheskoi Partii (B)* (1927), pp. 606-616.

² *KPSS v Rezolyutsiyakh* (1954), ii, 293-311; for other aspects of the debate and resolution see pp. 11-12 above and 353-354 below.

³ *Informatsionnyi Byulleten' Gosplana SSSR*, No. 2-3, 1927, pp. 1-7 (report dated February 24, 1927).

Congress of Soviets in April 1927, and even later, the sceptics of Narkomfin and the "super-industrialists" of the opposition alike seemed to be refuted by this happy progress.

In the resulting atmosphere of unclouded optimism, pressure for further capital expenditure and expansion in industry found a ready response. On November 6, 1926, a special meeting of the presidium of Gosplan recommended that an immediate start should be made on the construction of the Dnieper power station and the Turksib railway,¹ and Kuibyshev chose the occasion of the seventh trade union congress in December 1926 to claim a higher priority and authority for industry:

Comrades, the task of the working class and its state and party in guiding industry is to carry out a policy designed to obtain for industry a greater and greater influence over the whole national economic life of our country. Industry should become the leader of the whole economy and should transform the economy on new socialist lines.

He added that "the main and decisive path" in the construction of socialism was "the capital re-equipment of industry, the construction of new factories and the creation of new technology." While he did not as yet suggest advancing beyond the plan approved by the fifteenth party conference to invest 900 million rubles in industry in 1926-1927, his speech was full of optimism. He assured the congress that, though the government would probably approve a planned figure of an 18 per cent increase in industrial production in 1926-1927, the officials of Vesenkha thought that a 20-21 per cent increase in production was "more or less probable", partly because additional supplies of cotton would enable the consumer goods industries to expand by 16 per cent instead of the 14 per cent previously planned.² The congress in its resolution stressed the importance of the producer goods industries:

The task of the trade union movement in advancing on the

¹ See pp. 904-905 below.

² *Sed'moi S'ezd Professional'nykh Soyuzov SSSR* (1927), pp. 498, 502, 512-513. During the debate on Kuibyshev's report, Krol, the president of the food workers' trade union, complained bitterly that the food industry received much less from the budget than it contributed to it, and moved an amendment proposing that Vesenkha should give attention to industries which made use of peasant products. The amendment was opposed from the platform on the grounds that it would tend to conceal the main tasks of industrialization, and was rejected both in committee and by the congress (*ibid.* pp. 519, 598-599).

road to industrialization of the country requires special attention in the future to the development of heavy industry and engineering, and also requires attention to those industries in which insufficient production has made us heavily dependent on imports from abroad.¹

Before the end of December 1926, Vesenkha had translated its renewed emphasis on the importance of industry into specific proposals. It asked Gosplan to endorse a planned rise in industrial production of 20-21 per cent, and an increase in the capital investment plan for industry from 900 to 947 million rubles, the increase going mainly to the fuel industry.² Gosplan was somewhat cautious: its industrial section proposed that the investment figure should not be increased beyond 925 million rubles; and on January 25, 1927, the presidium of Gosplan suggested that the amount relegated to the second priority category within this total should be substantially increased, on the ground that the plan of capital construction might not be completely fulfilled in view of the "extreme complexity" of the market situation. The presidium also kept the planned increase in industrial production down to 18-19 per cent, with the production of consumer goods increasing by only 13 per cent.³

The restraint shown at this moment by Gosplan was not, however, typical of the view taken in official circles of the prospects of industry. The buoyant mood induced by the favourable economic situation in the first quarter of 1926-1927 still coloured the proceedings of the session of the central committee of the party which met from February 7 to 12, 1927. The committee heard reports from Kuibyshev and Krzhizhanovsky on capital construction in industry and resolved to give general approval to a capital investment plan for industry and electrification taken together of 1100 million rubles in 1926-1927; this implied the full acceptance of the proposal which Vesenkha had made in December 1926 that investment should be 947 million rubles in industry alone. The committee also resolved that, though the planned

¹ *Sed'moi S'ezd Professional'nykh Soyuzov SSSR* (1927), pp. 747, 749.

² *Torgovo-Promyshlennaya Gazeta*, December 30, 1926; *Ekonomicheskaya Zhizn'*, January 6, 1927.

³ *Informatsionnyi Byulleten' Gosplana SSSR*, No. 1, 1927, pp. 1-8; for the second priority category see p. 285, note 3 above.

capital investment in the metal industries was already more than a quarter of the total for industry, this figure should be increased.¹ At the beginning of the following month, Stalin assured a meeting of railway repair workers with some confidence that "we have succeeded in starting the job of industrializing our country with our own hands":

We shall hand over this year one thousand three hundred million rubles to the needs of industry. With this money we are building new factories, repairing old ones, introducing new technology and increasing the size of the working class. In this way we have succeeded in laying the foundations of a new industry on the basis of our own accumulations. In this way we have succeeded in beginning to erect the immense edifice of socialist industry with our own resources. This is our main achievement, comrades.²

The final results for the economic year 1926-1927 seemed at first sight to confirm the optimism current at this time. Capital investment in industry amounted to 1068 million rubles as compared with the final plan of 991 millions. This was an increase of nearly one-third on the previous year, and a more rapid increase than that of capital investment in the economy as a whole.³ Industrial fixed capital and property, which provides a good measure of industrial capacity, had increased by 9 per cent in 1926-1927 as compared with 4 per cent in 1925-1926.⁴ The period in which investment did no more than cover the depreciation of capital was clearly past; the period of further industrialization had begun. Moreover, the objective of a greater concentration of investment on the producer goods industries had been achieved: they received 71 per cent of investment in industry in

¹ *KPSS v Rezolyutsiyakh*, ii (1954), 343-344; the capital investment figure of 947 million rubles was endorsed by Sovnarkom on February 13, 1927, subject to the proviso that 55 million rubles of this sum was to be treated as a second-priority allocation, and a further 30 millions kept in reserve (*Sobranie Zakonov*, 1927, No. 10, art. 98). The planned amount of capital investment in industry was eventually increased to 991 million rubles (*Torgovo-Promyshlennaya Gazeta*, August 12, 1927).

² Stalin, *Sochineniya*, ix, 173-175; the figure cited evidently included allocations to working capital.

³ See Tables No. 18 and 47, pp. 953, 979 below.

⁴ *Fabrichno-Zavodskaya Promyshlennost' SSSR i ego Ekonomicheskikh Raionov*, vii (1928), 13.

1926-1927 as compared with 64 per cent in 1925-1926, and their fixed capital and property now amounted to more than half the total capital of census industry. Industrial production in 1926-1927 also expanded rapidly. The production of Vesenkha-planned industry increased by nearly 20 per cent, which was equal to the rate planned in the autumn of 1926 though less than that proposed in the final plan of the spring of 1927. In spite of the decline in the production of private census industry and the slow rise in artisan production, the total output of all industry expanded by 17 per cent.¹

Nevertheless, these satisfactory results were accompanied by serious difficulties. Industry failed to earn the planned rate of profit for 1926-1927, partly because the fall in costs was less than had been planned,² and partly because wholesale prices of industrial products were substantially reduced.³ As a result, industry had to rely on additional allocations from the budget; the annual report of Vesenkha referred to "considerable financial strain" in industry.⁴ A closer examination of the production figures also discloses some important problems. Group A production in Vesenkha-planned industry increased by 26.8 per cent, when measured in 1926-1927 prices, and greatly exceeded the plan. Group B production, however, increased by only 14.9 per cent in 1926-1927 prices: this was less than the revised plan; and in terms of current prices, owing to the price reductions of the early months of 1927, the increase amounted to only 11 per cent.⁵ The lag of consumer goods was equally marked in the substantial part of industrial production which was not planned by Vesenkha.⁶ Moreover the quarterly figures for both Group A and Group B industry showed that the first quarter of the economic year was much more successful than the remaining nine months; the rate of growth slackened from January 1927 onwards.⁷

¹ See Tables No. 12 and 15, pp. 947, 950 below. For the developments in the private and artisan industries, see pp. 389, 396-398 below.

² See p. 345 below.

³ See pp. 684-689 below.

⁴ *Promyshlennost' SSSR v 1926/27 godu* (1928), pp. 8, 72.

⁵ See Table No. 13, p. 948 below, and *Kontrol'nye Tsifry Narodnogo Khozyaistva SSSR na 1928-1929 god* (1929), p. 467; for the price reductions see pp. 688-689 below.

⁶ See Table No. 13, p. 948 below.

⁷ See Table No. 14, p. 949 below.

(c) Under Strain, 1927-1928

Long before the end of the economic year 1926-1927, and at the moment when first plans were being made for the economic year 1927-1928, the sharp deterioration in the international situation in the spring of 1927¹ brought about a change of climate in industrial policy, which found public expression at the tenth Ukrainian Congress of Soviets, followed immediately by the fourth Union Congress of Soviets, in April 1927. The resolution of the Ukrainian congress, having denounced the designs of the imperialist powers, and proclaimed the need for "a further strengthening of the country's capacity for defence", went on :

In the coming period of economic reconstruction in the Ukrainian SSR . . . and in the USSR as a whole, the decisive rôle falls to the coal, metallurgical and engineering industries.²

In the Ukraine, emphasis on heavy industry was traditional. But at the ensuing Union congress a great deal of time was also devoted to problems of industrialization, which figured in the general debate on the work of the government opened by Rykov, and in the debate on military affairs opened by Voroshilov, as well as in the special debate on industry opened by Kuibyshev.³ Much of Rykov's report was devoted to putting once again the case for combining industrialization, which aimed at creating "a smithy or workshop for the whole state", with the link with the peasantry. He posed the dilemma squarely : industrialization required substantial investments on which there could not be a real return to the country for some years, and which would be a "considerable burden". Rykov conceded that in the first six months of 1925-1926 investment had increased too rapidly at a time when personal consumption was also substantially increasing, so that disequilibrium had resulted, but repeated the common view that 1926-1927 would prove a satisfactory year ; he insisted, however, that to create a cultured, rich and industrialized country would require "a huge strain".⁴ Kuibyshev's report was also optimistic in tone,

¹ This will be described in a subsequent volume ; see also p. 31 above.

² *S"ezdy Sovetov v Dokumentakh*, v (1964), 174.

³ For the discussion on military affairs, see pp. 426-428, 430 below.

⁴ *SSSR : 4 S"ezd Sovetov* (1927), pp 36-42.

and his summary of plans for power-stations, iron and steel works, pipe-lines and engineering factories gave the impression that he meant business. At the same time he tried to reconcile a bold policy of industrial expansion with the immediate needs of the consumer ; while defending the policy of increasing the proportion of capital investment allocated to heavy industry, he pointed out that the absolute amount of investment allocated to the consumer goods industries in 1926-1927 had fallen, and insisted that this decline must not continue in 1927-1928.¹ The contributions to the debate on industry were numerous and practical, and many people who wished to speak were unable to do so ; the tone of the discussion revealed the extent to which industrialization plans were already beginning to seize the imagination of the middle-level administrator and party official.

Though the congress in its resolutions did not explicitly associate industrialization with military preparedness, in its general resolution it denounced " the recent intensification of the aggression of the international bourgeoisie ", insisted on the " peace-loving " character of Soviet policy, and expressed approval of " the measures of the government directed to the industrialization of the country ", and in its resolution on defence and the Red Army it drew attention to the technical and economic requirements of defence.² In a long resolution about industry, it declared that in spite of " considerable achievements in the development of industry " in the past two years, " the present level of industrial development is low and is completely insufficient for our country ". The resolution followed the fifteenth party conference in calling for the investment of sufficient resources " to make it possible to catch up and surpass the level of industrial development of the advanced capitalist countries in an historically short period ". The resolution approved the principle of " a redistribution of resources for the benefit of heavy industry ", insisted that industries producing means of production should continue to expand more rapidly than consumer goods industries, and declared that " special attention must be devoted to the maximum expansion of our native engineering industry with the object of becoming free as quickly as possible from dependence on foreign countries

¹ *SSSR : 4 S"ezd Sovetov* (1927), pp. 250, 255-259 ; see also pp. 404-405 below.

² For the resolution on defence see p. 430 below.

in this industry which is decisive for industrialization".¹

On May 12, 1927, within a few weeks of the fourth Union Congress of Soviets, the Arcos raid took place in London and the Soviet leaders reacted with the greatest alarm. On May 25, 1927, Kuibyshev, in the course of a tour of iron and steel and engineering works in the south, argued that the British bourgeoisie was trying to provoke war because of the success of Soviet industry, and concluded :

We must strengthen industry not only to build a future paradise and a future kingdom of the workers, but also so that the whole organism of our country should be capable of rebuffing our enemies.²

On June 1, 1927, a declaration of the party central committee called for energetic efforts in industry and for the improvement and development of war industry.³ On June 8, 1927, after a bomb-explosion in the Leningrad party club which was attributed to a White officers' plot, Kuibyshev returned to the international theme. He suggested that these events were all an attempt to create a "nervous situation in our country, to provoke us to some careless step". But the proper reaction was to realize that "we have been led away more than we should have been by the period of peace": "we must tie in the plans of industrial development more closely with the defence capacity of our country"; staffs of military factories must be improved and stocks must be put in order and "supplemented where possible". On the other hand, it would be playing into the hands of their enemies to concentrate on short-term defence needs at the expense of investment in industry. In compiling the annual control figures and the longer-term plans, industry must be given more resources for expansion: "we must not fall behind in rate of growth".⁴ In the summer of 1927, more attention was devoted both to the immediate needs of the armaments industry⁵ and to the longer-term claims of industrialization. Between April and July 1927, important practical steps were taken to launch the industrialization programme. STO confirmed the project of the Dnieper power

¹ *S"ezdy Sovetov v Dokumentakh*, iii (1960), 113-114, 118; for the resolution of the fifteenth party conference see p. 288 above.

² *Istoricheskii Arkhiv*, No. 3, 1958, pp. 47-48.

³ *Pravda*, June 1, 1927.

⁴ *Pravda*, June 10, 1927.

⁵ See pp. 428-429 below.

station and resolved to construct the Stalingrad tractor factory, the new Krivoi Rog and Kuznetsk iron and steel works, and the Sverdlovsk engineering works.¹ These projects formed the backbone of new construction in industry during the first five-year plan.

While the international situation reinforced the determination of the Soviet leaders to industrialize, great uncertainty prevailed throughout the summer of 1927 about the future course of economic policy. This uncertainty was fundamentally due to inability to solve the dilemmas posed by the attempt to achieve a high rate of industrialization in a peasant country. It was reinforced by the embarrassments of an incipient shortage of supplies in the large cities,² itself partly a result of the rate of industrialization already achieved, and by the resumed offensive of the opposition.³ Early in July 1927, Vesenkha published its first set of proposals for the control figures of 1927-1928, prepared by a commission presided over by the ex-Menshevik A. M. Ginzburg, who had also been president of the commission of Vesenkha responsible for drawing up its current draft five-year plan.⁴ The Vesenkha draft control figures repeated the proposal made in the current Vesenkha draft five-year plan that capital investment in industry should amount to 1152 million rubles in 1927-1928; this figure was substantially lower than that proposed for 1927-1928 by Osvok a year earlier.⁵ The Ginzburg commission also proposed

¹ See pp. 907, 449, 440-441 below.

² See p. 699 below.

³ For the "declaration of the 83" in May 1927 see pp. 24-25 above.

⁴ See p. 851 below.

⁵ *Torgovo-Promyshlennaya Gazeta*, July 13, 1927. The following table (in million rubles at current prices) summarizes the proposals for capital investment in Vesenkha-planned industry in 1927-1928:

Actual investment in 1926-1927	1068
Gosplan proposal for 1927-1928 (draft of the five-year plan), March 1926	1000
Osvok proposal, spring 1926	1450
Vesenkha draft of the five-year plan, spring 1927	1152
Narkomfin, July 1927	1000-1050
Vesenkha — Gosplan, early August 1927	1086
Vesenkha, August 31, 1927	1183
Vesenkha — Gosplan, October 1927	1176
Vesenkha, February 1928	1240
Approved by Sovnarkom, March 1928	about 1260
Actual investment in 1927-1928	1304

For similar tables for 1926-1927 and 1928-1929, see pp. 278, note 1 above and 314, note 1 below.

that in 1927-1928 Group A production should increase by 19·6 per cent and Group B by 16 per cent. This ratio was much more favourable to the consumer goods industries than those of 1925-1926 and 1926-1927; some justification for it could perhaps be found in the attitude adopted by Kuibyshev himself at the fourth Union Congress of Soviets in April.¹ Ginzburg in introducing the figures admitted the importance of heavy industry, but stressed that the new ratio was "dictated by the necessity of overcoming the market shortage of certain mass consumer goods, especially textiles".²

Although these were modest proposals, their firmness and precision distinguished them from the hesitant approach prevalent in Gosplan.³ Groman on behalf of Gosplan had already declared, a fortnight before their publication, that Vesenkha investment and production figures were too high, and that so large an investment would result in disequilibrium.⁴ Narkomfin also proposed a reduction in the investment proposals, suggesting that budget and credit resources would prove adequate for carrying out a capital investment programme of not more than 1000-1050 million rubles in 1927-1928.⁵ Within Vesenkha, however, detailed discussions of the control figures between the Ginzburg commission and the *glavki* of the major industries during the second half of July 1927 revealed substantial pressures in the opposite direction; the major industries called for larger allocations.⁶ Discontent with the recommendations of the commission was particularly strongly expressed at a meeting of the presidium of the Vesenkha of the Ukraine. It was argued that the smallness of the proposed investments in the iron and steel industry would result in a leveling-off or even a fall in metal production in 1928-1929; Sukhomlin declared from the chair that "we must again re-examine the

¹ See p. 294 above.

² *Torgovo-Promyshlennaya Gazeta*, July 13, 1927; he repeated his support for this ratio at the second plenum of Vesenkha (*ibid.* August 12, 1927).

³ For the situation in Gosplan at this time see pp. 814-816 below.

⁴ *Planovoe Khozyaistvo*, No. 7, 1927, p. 132; this article was based on a report made on June 29, 1927 to the Union conference on the control figures.

⁵ *Torgovo-Promyshlennaya Gazeta*, July 14, 1927; *Vestnik Finansov*, No. 7, 1927, p. 7; Narkomfin wanted to hold 70-100 million rubles in reserve in case it was not possible to import sufficient equipment to meet the investment programme.

⁶ *Torgovo-Promyshlennaya Gazeta*, July 21, 24, 27, 29, 1927.

distribution of resources and seek the possibility of increasing the allocations prescribed for heavy industry". The presidium decided to adopt the report on the control figures "on condition that the investment plans for the iron and steel and engineering industries are re-examined".¹ A fortnight later a plenum of the Vesenkha of the Ukraine proposed that the investment in industry in the republic planned for 1927-1928 should be increased from 345 to 394 million rubles.²

Meanwhile at the highest party levels hesitations about policy continued. Authoritative party pronouncements were conspicuous by their absence.³ Rykov's report on the control figures for 1927-1928 to the session of the party central committee which met from July 29 to August 9, 1927, appears to have been weak and indecisive. In the debate which followed, Pyatakov rejected Rykov's claim that development in 1926-1927 had been "crisis-free", pointing to the growth of unemployment, to the "crisis of the urban economy" and to the continuing goods shortage; consumption per head of population of 19 manufactured products was only 78 per cent of the pre-war level, and far lower than in the west. The solution was an increased rate of industrialization, financed by additional taxation of the nepman and the *kulak*.⁴ The inconclusive resolution of the central committee reaffirmed that industrialization must continue and accelerate, but did not go further in regard to capital expenditure in 1927-1928 than a declaration that it "must increase in comparison with the current year and be directed primarily towards heavy industry, transport and housing". On the major economic issue of the summer of 1927, the precise level of capital investment in industry which the

¹ *Torgovo-Promyshlennaya Gazeta*, July 23, 1927.

² *Ibid.* August 9, 1927.

³ Rare exceptions were articles in *Pravda*, July 7, 13, 1927, stressing the importance of producer goods industries, and a leading article *ibid.* July 14, 1927, criticizing Gosplan for underestimating possibilities of expansion both in industry and in agriculture. Stalin and Kuibyshev were both absent from Moscow at this time; Stalin returned from holiday on July 23 (*Pravda*, July 24, 1927); Kuibyshev went on holiday on June 14, and started work again on July 29, the day the session of the central committee of the party opened (*ibid.* June 15, 1927; *Torgovo-Promyshlennaya Gazeta*, July 30, 1927).

⁴ Rykov's speech was not published; Pyatakov's speech was cited in *Pravda*, August 5, 1927; *Bol'shevik*, No. 14, July 31, 1927, pp. 26-28, 31-34, No. 18, September 30, 1927, p. 85; *Partiya i Oppozitsiya Nakanune XV S"ezda VKP(B)*, ii (1928), 79, 139.

economy could tolerate, the resolution was silent.¹

In the absence of a firm official line at the party central committee, cautious attitudes continued to prevail. The differences between Gosplan and Vesenkha which had emerged in the discussions before the central committee met were bridged: Vesenkha cut its proposal from 1152 to 1086 million rubles. This was a very modest figure, and close to that proposed by Narkomfin; it was already known that capital investment in industry in the current year 1926-1927 would probably approach 1000 million rubles. The reduced investment figure agreed by Vesenkha involved a readjustment of the industrialization programme. One important change had been made in the original proposals in response to the international situation: the allocation to the chemical industry had been increased to enable it to meet defence needs. The Ginzburg commission recommended that this additional allocation and the agreed cut in total investment of 66 million rubles should be covered primarily by reducing the investment plans of the fuel and metal industries. The figure for investment in the textile industry was discussed twice in Vesenkha; but it was agreed that, in view of the increased purchasing-power of the population, no cut could be made here. A particularly large cut was made in the original proposals for investment in new factories.²

These reductions, and the hesitant policy of the central committee, appeared to confirm the fears of the opposition; they were also at variance with the movement of thought which was taking place in an important section of Bolshevik opinion which had no ties with the opposition. The necessity for market equilibrium was still accepted in 1927 by all varieties of party opinion. But a crack had already begun to appear between the moderates and the future supporters of the great expansion of 1928 and 1929. When faced with the limitations which regard for the market and the need to conciliate the peasant had hitherto placed on investment in industry, the "industrializers" began to break out of these limits,

¹ *KPSS v Rezolyutsiyakh* (1954), ii, 372-381; for other aspects of this resolution see p. 816 below. Reporting to the Moscow party organization after the session, Rykov stated that capital investment would increase by 100-150 million rubles as compared with the current year, but again gave no definite figure (*Pravda*, August 14, 1927).

² *Torgovo-Promyshlennaya Gazeta*, August 12, 1927; the proposed investment in new factories was reduced from 361 to 276 million rubles.

without admitting — perhaps even to themselves — that any major change of policy was taking place. In the spring of 1927 Strumilin expounded his doctrine of purposive planning during his debate with Kondratiev; in August Kuibyshev defended price reductions in conditions of goods shortage on the grounds that this was a victory for planning over market forces;¹ and a dramatic example of the undermining or erosion of the belief in the inviolability of market equilibrium was provided by the successful rebellion within industry against the recommendations of the Ginzburg commission, originally supported by the presidium of Vesenkha — a rebellion which resulted in priority being given to the needs of industry at the expense of the market.

The storm burst at the second plenum of the Vesenkha of the USSR which assembled on August 11, 1927, two days after the indecisive session of the party central committee had ended.² The plenum was a fairly large and representative body, in which party members clearly predominated.³ Rukhimovich, former president of Donugol, who had replaced Pyatakov as a deputy president of Vesenkha in August 1926, announced in his opening report the reductions in allocations to industry as compared with the original Vesenkha control figures. He tried to mollify his listeners by holding out the hope of increased investment if the harvest was good and the international situation improved. But dissatisfaction was widespread and vocal. Protests made in July by the Vesenkha of the Ukraine and by some of the *glavki* now proved to have more general support. Mezhlauk, now the president of Glavmetall, complained that in the engineering industry only investment in shipbuilding and "other production" would expand in 1927-1928; all other investment in engineering would be cut down. Within the total allocation to the metal group of industries resources would be concentrated on the iron and steel industry; nevertheless, much of the new equipment purchased at a cost of 62 million rubles would have to be stored, and investment in new factories would have to be cut by a quarter:

It is necessary to ask the government to increase the total allocations for industry. Financial resources for defence must

¹ See pp. 789-790, 792, 856-857 and 632 below.

² *Torgovo-Promyshlennaya Gazeta*, August 12, 1927.

³ See p. 355 below.

remain ; but it must not be forgotten that the business of defence can be strengthened mainly by strengthening the work of industry.

Strong complaints were also made by the timber, non-ferrous metals, chemical and textile industries, and by speakers from the Far East, Transcaucasia, the Urals and the Vesenkha of the RSFSR. Sukhomlin voiced Ukrainian objections to the declining rate of growth in fuel and metals, describing this as “ *a basic defect* ”. A spokesman from the metal-workers’ trade union supported the demand for increased allocations to the metal industries. Towards the end of the meeting Ginzburg remarked that “ all those speaking in the debate concentrated their attention on a single question — the question of capital expenditure ”. Rukhimovich hedged in his reply to the discussion, and Kuibyshev, who had been away on leave, did not take part in the debate on the control figures. The resolution of the plenum of Vesenkha, while approving the control figures “ in the main ”, nevertheless declared that the investment plan was a “ minimum ” one, and that the allocation to metals and chemicals should be increased.¹

This resolution proved to be a first step towards a significant change in Vesenkha policy. Within three weeks of the plenum, the presidium of Vesenkha publicly declared its support for an increased figure for investment in industry, openly rejecting the findings of the Ginzburg commission. On August 31, 1927, it announced that the draft which Vesenkha had itself sent forward to Gosplan did not satisfy the capital investment requirements of a number of important industries, and that Vesenkha was therefore increasing its claim for investment in the metal, chemical and oil industries ; the total investment in industry now proposed was 1183 million rubles, higher than the original figure of the Ginzburg commission. The presidium of Vesenkha proposed that just over half the additional investment should be met from the budget, and the remainder from the increased profits of industry, which would in turn be obtained from more extensive cost reductions.² An editorial in the industrial newspaper insisted that this decision was justified, “ however burdensome for the budget ”. While admitting that the market demand for industrial consumer goods must

¹ The discussion and resolution were reported in *Torgovo-Promyshlennaya Gazeta*, August 12, 13, 17, 1927.

² *Ibid.* August 31, 1927.

be satisfied if adequate supplies of peasant produce were to be forthcoming, the editorial went on to ask rhetorically :

Does it follow from this that we should to the smallest extent weaken our attention to heavy industry or, in particular, give its needs for capital investment second priority ?

From the point of view of tomorrow, defence and the forthcoming difficulties of economic expansion could be handled only with an appropriate rate of development of heavy industry, and therefore of capital investment.¹ A later article commented that investment in the current year must be sufficient to enable industry to "*pass beyond the period of preparation and organization, which is being prolonged to the detriment of the interests of the economy*".² Within the next few weeks, first Gosplan and then a joint sitting of Sovnarkom and STO accepted, with only minor variations, the new investment proposals of Vesenkha.³ To meet the increase, however, Vesenkha obtained from the budget only an additional 10 million rubles, less than a quarter of its claim ; the rest was to come from savings within industry resulting from additional cost reductions, the cost reduction target being raised from 4.5 to 6.0 per cent. In spite of this formal attempt to fit the new level of investment into a framework of continued financial stability, the decision in September 1927 to maintain and step up the proposed level of investment in industry was an important further move in the industrialization drive, and was recognized as involving continued difficulties on the market.⁴

The last three months of the calendar year 1927 saw something of a lull in the discussions about the immediate prospects for industry. The struggle with the opposition was at its height ; the party was engaged in celebrating the tenth anniversary of the revolution ; and in government departments attention was concentrated on the preparation of the five-year plan. During October, Vesenkha completed the preparation of a draft of the

¹ *Torgovo-Promyshlennaya Gazeta*, September 1, 1927 ; in spite of the increases in investment, a Vesenkha official complained that "the iron and steel industry will not obtain a sufficient basis for its further development" (*ibid.* September 2, 1927).

² *Ibid.* September 9, 1927.

³ For the Gosplan resolution see *Pravda*, September 10, 1927 ; for the Sovnarkom and STO decision see Kuibyshev's letter in *Torgovo-Promyshlennaya Gazeta*, October 5, 1927.

⁴ See pp. 817-818 below.

five-year plan which proposed a considerable stepping-up of the pace of industrialization.¹ The theses on the five-year plan approved by the session of the party central committee in October 1927, however, qualified in some respects the enthusiasm for industrialization shown in the resolutions of the fifteenth party conference and the fourth Union Congress of Soviets. After calling for a policy which aimed at "the most rapid possible rate of development *over a long period*" rather than "maximum accumulation in the *immediate* year or in the next few years", they went on to refer in confused language to the need for "an optimum combination" of heavy and light industry :

While considering it correct to transfer the centre of gravity to the production of means of production, it is necessary to take into account the danger of tying up state capital too much in large-scale construction, which has an outcome on the market only after a number of years ; on the other hand it is necessary to bear in mind that if *light* industry (the production of goods of prime necessity) develops, its more rapid turnover would permit of the utilization of its capital for construction in heavy industry.

This part of the theses concluded by speaking mildly of the need for "a more or less planned development, a more or less crisis-free development".² In a report to the Leningrad party immediately after the session, Bukharin continued to call for moderation and restraint. He declared that "the formula which speaks of a maximum investment in heavy industry is not completely correct, or, more accurately, is completely incorrect" ; and that in capital construction "we made a mistake" and "advanced on a very scattered front".³

When the fifteenth party congress met in December 1927, it was asked to confirm the resolution of the October session of the central committee without change. Trotsky had now been expelled from the party, and the opposition was in full retreat. The speeches of the principal members of the Politburo at the congress shifted back the emphasis towards industrialization. Rykov, in his report on the five-year plan, referred to "a number of notes"

¹ See pp. 865-869, 871 below.

² *KPSS v Rezolyutsiyakh* (1954), ii, 399 ; for these theses see pp. 34, note 4 above and 870 below.

³ For this speech see pp. 35-36 above.

he had received attributing market shortages to the insufficient development of light industry, but rejected suggestions that resources should be switched to light industry in the five-year plan :

Industrialization of the whole country, not to make special mention of defence, depends at the present time on the development of heavy industry. . . . We cannot give up our position on the development of heavy industry under the influence of temporary difficulties.¹

In the debate, Kuibyshev tried somewhat unsuccessfully to explain away the clauses in the theses which stressed the importance of light industry. He argued that they did not represent a change in policy, quoting another clause in which priority for means of production was emphasized. His own emphasis was quite different from that of the theses :

We must as before maintain the policy of forcing the development of the production of means of production. This must be our policy, not only because we have posed it in this way as a matter of principle, bearing in mind the necessity of forcing the rate of industrialization of the country as a whole, including agriculture. We are also compelled to take this stand because the present economic situation, the *Konjunktur* of the period through which we are passing, requires the development of heavy industry whatever happens. . . . Thus those who seek a radical revision of our policy on the relation between industries (and unfortunately we have such people among the staff of our government establishments and among the representatives of certain organizations) are wrong to depict our heavy industry as already so full-blooded, and as having so saturated our country with its products, that less attention can be paid to it.²

Widely diverging views, largely dictated by special and local interests, were expressed in the discussion. Chubar, president of the Ukrainian Sovnarkom, reported a complaint of the president of Yugostal that " he must cease building almost all new factories this year in order to ensure the necessary minimum of capital repair and to instal at least part of the equipment which has come and is coming from abroad ". He himself added that the

¹ *Pyatnadsatyi S"ezd VKP(B)*, ii (1962), 870-871. ² *Ibid.* ii, 944-947.

pace of tractor production was too slow ; " if we go at the rate in tractor supply at which we are going this year ", he remarked with no doubt a deliberate hint at Bukharin, " we shall move at a snail's pace ".¹ He was supported in his plea for more allocations to the producer goods industries by Sukhomlin from the Vesenkha of the Ukraine, and by Rumyantsev from Azneft.² On the other hand, Komarov from Leningrad argued that, while some resources must be transferred to heavy industry at the expense of light and medium industry, this must be done in a manner compatible with the ending of the goods famine.³ A delegate from the textile town of Ivanovo-Voznesensk castigated insufficient attention to light industry as a basic mistake, and cited the proposal in the 1927-1928 control figures that production of cotton textiles should increase in monetary terms by only 1·3 per cent : " this kind of contempt for light industry and especially for the textile industry was bound in the end to result, and is resulting now, in the reduction of grain deliveries and the disturbance of the market ". He approved the terms of the resolution, but said that they had been contradicted by Rykov and Kuibyshev.⁴ In his reply to the discussion, Rykov was somewhat less emphatic in his support for heavy industry than he had been in his opening report. While he rejected a proposal to include in the resolution a statement that " heavy industry cannot develop at the expense of light industry ", and insisted that the redistribution of resources from agriculture to industry and from light to heavy industry was necessary, he also argued that the rate of development of light industry should be sufficient to provide for an increase in trade between the town and the countryside and in the standard of living of workers and peasants ; moreover, the shortage of particular consumer goods should not be allowed to reach the point at which a trade crisis developed.⁵ The theses on the five-year plan were adopted unanimously by the congress : some minor amendments did not affect the clauses about heavy and light industry.⁶

The exchange of views at the party congress was a muted

¹ *Ibid.* ii, 994-995, 998 ; for Bukharin's phrase see *Socialism in One Country*, 1924-1926, Vol. I, p. 352.

² *Pyatnadtsatyi S"ezd VKP(B)*, ii (1962), 1109-1111, 1120-1123.

³ *Ibid.* ii, 1040-1041.

⁴ *Ibid.* ii, 1125-1127.

⁵ *Ibid.* ii, 1165-1167.

⁶ *Ibid.* ii, 1409-1411.

expression of the opening stages in the critical debate within the party prompted by the goods shortage of the autumn of 1927 and the failure of the grain deliveries which followed it. Outside the ranks of the party, and especially among the non-party experts of Narkomfin and Narkomzem, hostility to the increasing rate of industrialization found a more uncompromising expression. A writer in the last issue of the bulletin of the *Konjunktur* institute of Narkomfin for 1927 roundly argued that "industry has turned to an increasing extent from a factor improving the health of our economy into a factor bringing with it new complications and difficulties".¹ This and similar views expressed in this issue led to the removal of Kondratiev, the head of the institute, and of his principal collaborators.² But the perplexities which inspired these attacks also troubled many supporters of industrialization within the party. Within the framework of the market economy, two methods were available to mitigate the tensions created by the pace of industrialization and to relieve inflationary pressure. The level of capital investment in the economy in general and in industry in particular could be reduced; or money, men and materials could be switched to current production and urgent capital construction in the consumer goods industries in order to increase supplies on the market. Both these possibilities were the subject of continuing discussion in Vesenkha in the first few months of 1928.³

On the question of the level of capital investment, Kuibyshev early in 1928 conceded in a speech to the presidium of Vesenkha that the planned expenditure for 1927-1928 could not be further increased. He insisted that Vesenkha must refrain even from necessary work in order to keep expenditure within the sum allocated by the government: "evidently very very many people have spread themselves too much, so far as construction is concerned". But he also pointed out that it was difficult to make cuts, in view of the fact that most capital construction was simply

¹ *Ekonomicheskii Byulleten' Kon'yunkturnogo Instituta*, No. 11-12, 1927, p. 72.

² For these events see pp. 735-736 below; for other quotations from this issue of the bulletin see pp. 389, 631 below.

³ The situation could also have been eased by restricting or reducing the income and hence the purchasing-power of the urban population; while the possibility of a wage-cut was not seriously considered, pressure to ensure that wages rose more slowly than productivity was intensified during 1927-1928, on the whole successfully (see pp. 505-507 below).

continuing what had been begun in the previous year ; " in spite of our wish, all our attempts and all the attempts of Gosplan to increase that part of the work which could be transferred to second priority have ended in complete failure ".¹ While Kuibyshev was thus on the defensive about the level of investment, proposals that the plan for 1927-1928 should be cut by several hundred million rubles were firmly rejected by Vesenkha,² and the pressure for increased investment which had already found expression at the fifteenth party congress continued in the early months of 1928.³ In response to this pressure, the capital investment plan for industry in 1927-1928 was in fact steadily increased in spite of Kuibyshev's warning. In October 1927, the agreed figure had stood at 1176 million rubles.⁴ By February 1928, Vesenkha was claiming 1240 million rubles. Both Narkomfin and Gosplan protested against this figure. Krzhizhanovsky on behalf of Gosplan rejected the argument that the figure could not be substantially reduced in view of previous commitments to investment projects ; he claimed that such an approach implied that " we must say farewell to planning " and go over to an " unplanned shock method of work ".⁵ At the third plenum of Vesenkha in March 1928, Rukhimovich reported " definite tendencies " to argue that the *promfinplan* could not be fulfilled in the prevailing situation.⁶ Nevertheless, on March 20, 1928, Sovnarkom agreed to capital investment in industry amounting to 1258 million rubles : the total included an increase in the allocation to the Union metal industries of 37 million rubles.⁷ The crisis in the grain collections had failed to result in any slackening in the rate of increase of investment in industry.

The other method of reducing inflationary pressure was to relieve the goods shortage by shifting resources towards the consumer goods industries. Here, like the original proposals of Vesenkha in July 1927, the Gosplan control figures for 1927-1928 already

¹ *Torgovo-Promyshlennaya Gazeta*, February 4, 1928 ; for another reference to this speech see p. 309 below. The meeting of the presidium of Vesenkha is dated February 2, 1928, in *Ekonomicheskaya Zhizn'*, February 4, 1928.

² *Puti Industrializatsii*, No. 2, 1928, pp. 75-85.

³ See for example *ibid.* No. 3, 1928, p. 83.

⁴ *Torgovo-Promyshlennaya Gazeta*, October 5, 1927.

⁵ *Ibid.* February 22, 29, 1928.

⁶ *Ibid.* March 7, 1928.

⁷ *Sobranie Zakonov*, 1928, No. 20, art. 180.

incorporated a significant change as compared with the previous year: they proposed to increase the production of means of production by 17·3 per cent and the production of consumer goods by 14·6 per cent — the gap in 1926–1927 had been far wider — and to increase the proportion of investment in industry allocated to the consumer goods industries from 29 per cent in 1926–1927 to 31 per cent in 1927–1928.¹ By the beginning of 1928, Vesenkha was under strong pressure not only from those who wished to slacken the pace of industrialization but also from the Politburo as a whole, which felt the need to temper its use of the stick against the peasant with material encouragement in the form of consumer goods. On January 7, 1928, the day after the Politburo instruction to party organizations on the grain collections, a formidable campaign was launched by a Vesenkha order to increase the production of industrial consumer goods and their delivery to agricultural areas.² The campaign prevented the seasonal decline in production that had occurred in the previous two years. In January 1928 the production of industrial consumer goods, measured in pre-war prices, was 26 per cent greater than in the corresponding month of the previous year, as compared with a corresponding increase of 14 per cent in December 1927.³

The crisis in grain deliveries led many non-party officials and some party members within Vesenkha to demand a more permanent shift of emphasis towards the consumer goods industries. Kuibyshev, in speeches to the party cell at Vesenkha headquarters on January 18 and to the presidium of Vesenkha on February 2, 1928, admitted the existence of pressures for a further shift of resources, but firmly resisted them. In his speech to the party cell of Vesenkha, he declared:

There are public figures and individual party members —

¹ For the Vesenkha proposals see pp. 296–297 above; for the Gosplan figures see *Kontrol'nye Tsifry Narodnogo Khozyaistva SSSR na 1927–1928 god* (1928), pp. 49, 55, 62, 499; for the expansion of Group A and Group B industries in 1926–1927 see Table No. 13, p. 948 below.

² See p. 49 above.

³ *Predpriyatie*, No. 2, 1928, pp. 5–6. Production of consumer goods declined slightly in February, but for the whole January–March quarter it was 10·7 per cent greater than in the previous quarter and 26·7 per cent greater than in the same quarter of the previous year (*Pokazateli Kon'yunktury Narodnogo Khozyaistva SSSR za 1923/24–1928/29 gg.* ed. A. Mendel'son (1930), pp. 14–16; these figures exclude seasonal industries).

unfortunately more and more of them, apparently under the influence of *Konjunktur* — who think that, if this is the situation, if a whole number of phenomena in our economic life depend on the mass of goods put onto the consumer market, if the success of our work in a whole number of sectors of the economy depends on this, this means that we must devote all our powers and all our attention to light industry . . . and as a result of this somewhat weaken the attention, and therefore weaken the resources and efforts, which we direct to heavy industry.

Kuibyshev frankly admitted that under-production of consumer goods was a major cause of economic difficulty ; this had resulted in “ a violation of equilibrium in a whole number of sectors of our economy ”. But he rejected the “ slogan or semi-slogan or half-whisper ” that “ some shift must be made ” in the direction of consumer goods. Such a shift would, he argued, undermine the policy of industrialization and at the same time hinder the solution of market difficulties, since the consumer also needed the metal, machinery, fuel and timber which an expanded industry would provide.¹ In his speech to the presidium of Vesenkha, he rejected as “ an incorrect deviation ” attempts to solve the *Konjunktur* situation solely by attention to light industry, and condemned “ revisionist views ”: “ *the present Konjunktur* ”, he declared, “ *demand attention to the heavy industries* ”. This was essentially the opposition argument, hitherto much criticized by the party majority, that industrial goods were in short supply because industry lagged behind agriculture.²

The extent of the penetration into Vesenkha of a new emphasis on the importance of light industry is perhaps indicated by the position taken up at this time by Sabsovich, prominent in the planning department of Vesenkha and later a vigorous advocate of very rapid growth-rates in industry. While defending a higher rate of industrial expansion, he argued that the growth of the consumer

¹ The speech was first published in *Istoricheskii Arkhiv*, No. 3, 1958, pp. 53-69 ; for other aspects of this speech see pp. 59 above and 632 below. Kuibyshev's views were also developed in an article published at the time in the first number of a new journal of the presidium of Vesenkha, *Puti Industrializatsii*, No. 1, 1928, pp. 12-24.

² For this speech see pp. 306-307 above.

goods industries was indispensable for the success of industrialization, both because productivity of labour was itself a function of the standard of living, and because the consumer goods industries were a major source of accumulation for the state.¹ These views were strongly opposed in replies published in the same journal.² But their publication in the official journal of Vesenkha in face of the objections expressed by Kuibyshev reflected the confusion and hesitation which still prevailed. The temporary shift towards consumer goods was not limited to the Vesenkha order of January 7, 1928. Early in February, the comprehensive *promfinplan* proposed that in 1927-1928 as a whole the production of Group B industries should increase by 26.9 per cent as against 22.7 per cent in Group A. This higher rate of growth of the consumer goods industries, which was described by Sabsovich as "an unexpected phenomenon of the current year", clearly contradicted established principles.³ The proposed rates were approved by Sovnarkom on March 20, 1928; Sovnarkom added, however, that industry should aim at exceeding the plan for "the production of means and tools of production" in the second half of 1927-1928.⁴ The party central committee at its session in April 1928 drew attention to "a significant expansion of industrial production, especially of industry working for the broad market".⁵ A further concession was quietly made, within the framework of a greater total capital investment plan for industry, by increasing the proportion of total investment allocated to the Group B industries from the earlier figure of 31 per cent to 36 per cent.⁶ Thus the outcome of the discussions about industrial policy in the first few months of 1928 was that, while the total investment plan for industry was further increased, both investment and current resources were temporarily

¹ *Puti Industrializatsii*, No. 2, 1928, p. 53; No. 4, 1928, pp. 48-52. Sabsovich's temporary enthusiasm for the consumer goods industries received some encouragement from the council of Narkomfin, which asked him to read a paper about his views; the claims of the consumer goods industries were pressed still more unequivocally by another writer *ibid.* No. 4, 1928, pp. 41-47.

² *Ibid.* No. 2, 1928, pp. 19-24; No. 4, 1928, pp. 65-74.

³ *Torgovo-Promyshlennaya Gazeta*, February 8, 1928; *Puti Industrializatsii*, No. 2, 1928, pp. 50-53; for the accuracy of these figures see Note D, p. 935, note 3 below.

⁴ *Sobranie Zakonov*, 1928, No. 20, art. 180.

⁵ *KPSS v Rezolyutsiiakh* (1954), ii, 498.

⁶ *Puti Industrializatsii*, No. 4, 1928, p. 46; the comparability of these two figures is not, however, certain (see p. 425, note 1 below).

shifted towards the consumer goods industries. While, however, by the spring of 1928 the pace and methods of industrialization had provoked serious divisions of opinion between non-party experts and party members within both Vesenkha and Gosplan,¹ among the party leaders a reasonable semblance of unity had been preserved. Condemnation of the Kondratiev group was accepted as common ground. Bukharin at a Leningrad party meeting on April 13, 1928, denounced the *Konjunktur* institute of Narkomfin, and accused it of advocating, in the last number of its bulletin, a reduction of the rate of industrialization; he roundly declared that its methods of reaching such conclusions were decisively rejected by the party, and could not "in any way become the subject of discussion in our party".²

The successful growth of industry in the economic year 1927-1928 seemed to refute the sceptics. Investment in Vesenkha-planned industry amounted to 1304 million rubles — an increase of 21 per cent over 1926-1927³ — and production increased by 26.3 per cent in terms of 1926-1927 prices.⁴ This rate of growth roughly corresponded to that proposed in the final Vesenkha plan for the year, but far exceeded the rate of 16 per cent proposed by Vesenkha in July 1927. Even more significantly, it exceeded the rate of growth achieved in 1926-1927; this ran counter to the almost universal expectation that the rate of growth would slow down now that the period of restoration was over.⁵ The predictions made two years earlier that the rate of growth would fall to 5-7 per cent were refuted.⁶ This success depended on the

¹ For the conflict within Gosplan see pp. 792-794, 875-876, 880 below.

² *Pravda*, April 19, 1928; for the defeat of the Kondratiev group see pp. 735-736 below.

³ See Table No. 18, p. 953 below.

⁴ See Table No. 13, p. 948 below; for an alternative calculation in current prices, showing an increase of 21.7 per cent, see Table No. 12 (a), p. 947 below. Somewhat lower figures are given in *Promyshlennost' SSSR v 1927/28 godu* (1930), p. 64.

⁵ For the controversy about the "attenuating curve", see pp. 876-877 below.

⁶ See pp. 284, 286, note 1 above; part of the success of 1927-1928 was apparently due to the bringing into use of reserves of capacity which had not been sufficiently allowed for in the discussions of 1925 and 1926 (see pp. 273-275 above).

achievements of the nine months from the beginning of the calendar year 1928: production in each of the three quarters from January to September 1928 was higher in relation to the same quarter of the previous year than it had been in 1927. This pattern was quite different from that of previous years, and demonstrated the unexpected power of the planned industrialization drive.¹

At the same time, the pressure for expansion of the consumer goods industries had some effect on the results for the year. Whether the proportion of capital investment in industry allocated to the consumer goods industries actually increased in 1927-1928 is doubtful.² But the production of Group B Vesenkha-planned industry certainly expanded more rapidly than that of Group A.³ This dramatic shift in proportions was not to be repeated until 1937. However, the results for the consumer were not as encouraging as the figures would appear to indicate. Small-scale industry, which was almost exclusively concerned with the production of consumer goods, was much less successful than census industry, partly because it was starved of resources by the far more powerful state industry.⁴ Though the gap between the growth-rates of Group A and Group B production in the whole of census and small-scale industry taken together was smaller in 1927-1928 than in 1926-1927, Group A nevertheless continued to expand more rapidly than Group B.⁵

(d) Forcing the Pace, 1928-1929

The grain collections crisis, while it had not led the party leaders to reduce the rate of industrialization, prompted a search in the

¹ See Table No. 14, p. 949 below.

² The comparability of the official statistics for investment in Group A and Group B industries in the years 1926-1927 and 1927-1928 is discussed on p. 425, note 1 below.

³ See Table No. 13, p. 948 below.

⁴ For two different calculations, one showing a rise in small-scale production of 3.1 per cent and the other a decline of nearly 5 per cent, see Table No. 12, p. 947 below; shortly after the end of the economic year, Gosplan reported a decline of approximately 2.5 per cent to Sovnarkom and STO (*Ekonomicheskaya Zhizn'*, October 16, 1928).

⁵ See Table No. 13, p. 948 below.

spring and summer of 1928 for ways of maintaining the existing level of capital investment in industry without provoking further clashes with the peasantry. As time went on, the pressures of industrialization progressively increased. Non-party officials and experts in Narkomfin and Narkomzem were removed from their posts, or lost the last remnants of their influence, in the course of the year 1928. Their anxieties were increasingly shared not only by some of their opposite numbers in Gosplan and even in Vesenkha, but also by a substantial number of party members who showed mounting concern at the acute strain placed by the rate of industrialization on relations with the peasantry. By slow degrees these positions became more clearly defined; and Rykov and Bukharin emerged as the spokesmen of this group in the counsels of the party. The issue of the pace of industrialization dominated all the party debates of 1928.

In preparing its plans for 1928-1929, Vesenkha had no clearly defined limits within which to work; the intention of preparing the annual plan for industry within the framework of the five-year plan could not be realized, because no agreed five-year plan existed.¹ The officials of its planning department and the members of its presidium had to scrutinize the claims of the various industries in the light of their own guesses and hopes about the resources which would be available to industry. By this time, however, the expansion of industry had generated a momentum of its own. The drive for further expansion came as much from the officials and managers in charge of industry — many of them now party members — as from the party leaders. Vesenkha was the focus of the agitation to obtain more resources for industry; and, with the growing success and prestige of industrialization, the ambitions of Vesenkha became an extremely important influence on economic policy.

As in previous years, the attention of Vesenkha was concentrated on the capital investment plan for industry. The claims for 1928-1929 submitted by the *glavki* of the separate industries amounted to the enormous sum of 2250 million rubles, more than twice the amount invested two years earlier. The planning department of Vesenkha considered that these claims should be cut to 1750 million rubles, and its finance department thought that they should be reduced by a further 300 millions on the ground that the

¹ See pp. 874-888 below.

necessary finance from outside industry would be unobtainable.¹ The issue appears to have remained for the moment unresolved. On June 1, 1928, Sovnarkom approved an initial minimum figure of 1560 million rubles for capital expenditure by Vesenkha in 1928-1929; this figure was to include electric power construction, which had been handled as a separate item in previous years.² At the end of June, Vesenkha submitted a plan based on this figure, but emphasized that it was "*only a foundation for a broader plan*"; it excluded all new construction not already started, except in the building materials and export industries, and included only "obligatory" capital repair and housing.³

When the party central committee met from July 4 to 12, 1928, the report on the grain collections provided an occasion for a section of the committee to express its discontent with the general course of economic policy.⁴ Although the debate was mainly concerned with agriculture, it was recognized that the pressure of industrialization was primarily responsible for the difficulties with the peasantry. During the discussion, Osinsky proposed that "we

¹ *Torgovo-Promyshlennaya Gazeta*, June 10, 1928. The proposals for capital investment (in million rubles at current prices) in Vesenkha-planned industry in 1928-1929 were as follows:

Actual investment in 1927-1928	1304
Claims of <i>glavki</i> for 1928-1929, June 1928	2250
Planning department of Vesenkha, June 1928	1750
Finance department of Vesenkha, June 1928	approx. 1450
Vesenkha "minimum plan", June 1928	1307
Presidium of Vesenkha, September-October 1928	1678 (including 50 reserves)
Gosplan congress, October 1928	1652 (including 150 reserves)
Narkomfin, October 1928	1580 (including 50 reserves)
Central committee resolution, November 1928	"up to" 1650
Stalin, November 1928	1650
Sovnarkom, November 1928	1659 (including 25 reserves)
Vesenkha, late November 1928	1675
Actual investment in 1928-1929 (preliminary figure)	1679

For similar tables for 1926-1927 and 1927-1928, see pp. 278, note 1, 296, note 5 above.

² *Sobranie Zakonov*, 1928, No. 33, art. 297; *Direktivы KPSS i Sovetskogo Pravitel'stva po Khozyaistvennym Voprosam*, i (1957), 822-823.

³ *Torgovo-Promyshlennaya Gazeta*, June 28, 1928; Vesenkha allocated 1307 million rubles of the total 1560 million rubles to industry and 253 millions to electric power construction.

⁴ See pp. 76-80 above.

should invest 200-300 million rubles over one or two years in those industries which serve the needs of the countryside", arguing that this "must be thought as much a matter of interest as the construction of Dnieprostoi".¹ Bukharin frankly attributed the difficulties to the simultaneous attempt to achieve "maximum accumulation in socialist industry, maximum development in agriculture, and maximum consumption by the working class and the working masses in general", and averred that "accumulation in socialist industry is a function, an amount, which is dependent on accumulation in agriculture".² Stalin on the other hand insisted that "tribute" or "super-tax" from the peasantry was essential if the industrialization programme was to be successfully financed.³ The compromise resolution passed at the end of the session stressed the key importance to socialist construction in the USSR of "the rapid growth of large-scale socialist industry on the basis of new technology", and added that industry was a powerful instrument for transforming agriculture. At the same time it emphasized the importance of agriculture to industry as a market, and as a supplier of industrial raw materials and of the export commodities which were needed to pay for the import of capital equipment for industry; it admitted that the rate of development of agriculture "is lagging extremely far behind the rate of development of industry". The question of the future rate of industrialization was passed over in silence.⁴ Neither side was yet prepared to bring the issue to a head.

The situation in Vesenkha was also for the moment confused. A draft of the five-year plan was published in August 1928 which seemed designed to restrain the pace of industrialization; and throughout the autumn there were active signs of discontent from non-party advisers of Vesenkha.⁵ But in September 1928 I. V. Kosior, a member of the presidium of Vesenkha, presented to an enlarged meeting of the presidium a report on the 1928-1929 control figures which called for a higher rate of development than had been incorporated in the minimum figures prepared in June.⁶ He proposed that gross industrial production should increase by 20·1

¹ Trotsky archives, T 1834.

² *Ibid.* T 1901.

³ See pp. 78-79 above.

⁴ *KPSS v Rezolyutsiyakh* (1954), ii, 511-512; for this resolution see pp. 80-81 above.

⁵ See pp. 442-443, 887 below.

⁶ *Torgovo-Promyshlennaya Gazeta*, September 14, 1928; Kosior was a former president of Yugostal.

per cent, with the output of Group A industries rising by 22.3 per cent ; in spite of the strain on the budget which would be involved, capital investment in industry, including electric power construction, should amount to 2110 million rubles (or about 1680 million rubles if electric power construction were excluded). The proposed allocation of this total was significant. Investment was to rise by 32.2 per cent in Group A industries but only by 8.4 per cent in Group B industries ; nearly a third of all investment was to be allocated to the construction of new factories.

In the discussion which followed Kosior's report, even these far-reaching proposals were strongly criticized by the *glavki* as inadequate. Some textile factories would shut down because their equipment was worn out. The export of oil would be hindered. The electricity industry would become a bottleneck. The iron and steel shortage would worsen. The cost of coal would not fall as planned and its future output would be endangered. Kuibyshev, in reply to the discussion, supported the level of investment proposed by Kosior and indicated his agreement with the policy of maintaining the rate of growth of industrial production :

To reduce capital expenditure means to go over to a lower rate of development of industry as early as next year, as well as in future years. . . . It is wrong to enter on such a path.

On the other hand, he was evidently under strong pressure from outside Vesenkha to moderate the claims of industry. He expressed the view that the proposed budget allocation to Vesenkha was too large, and would mean that all the increase in budgetary revenue would have to go to industry, and proposed that this claim should be cut.¹ The presidium resolved to accept this proposal and instructed Kuibyshev and Kosior to find ways of covering the gap ; it also approved a slightly reduced capital investment figure.² An editorial in the industrial newspaper published on the same day described the figure proposed by Vesenkha as "*the maximum possible self-limitation of industry*".³ A week later, on September 19, 1928, Kuibyshev reiterated his support for heavy industry at a meeting of Leningrad party workers :

¹ *Torgovo-Promyshlennaya Gazeta*, September 14, 1928.

² *Protokol Zasedaniya Prezidiuma VSNKh SSSR, 1927-1928*, No. 26, art. 659.

³ *Torgovo-Promyshlennaya Gazeta*, September 14, 1928.

All talk to the effect that it is necessary to hold up the development of machine-building a little, that it is necessary to hold back a bit and so on, this talk, I repeat, is inspired by fear of these difficulties and by a passive attitude to them. . . . To industrialize the country and to increase the rate of industrialization are permanent tasks which must confront us.

He emphasized the danger of tendencies to "grumbling, lack of confidence and defeatism", which were found in government departments and in "certain layers" of the party, and reflected dissatisfaction among the *kulaks*. While "survivals of war communist methods" could be found in party cells, *Leningradskaya Pravda* of the previous day had been short-sighted to say that Trotskyism was the greatest danger.¹

Until the end of September 1928, no intimation appeared in the press of disagreements among the political leaders about the rate of industrial development. Uglanov, in the report to the Moscow party committee on September 11, 1928, which incurred censure in *Pravda*,² mildly remarked that the progress of heavy industry was satisfactory, but that minor improvements were required in the textile industry, adding amid laughter that "nobody will ascribe to us the 'deviation' of being supporters of light industry and opponents of heavy industry".³ But this was no more than a hint of divergent views among party leaders. As late as September 22, 1928, Molotov reported in a speech to a conference of editors that industry would grow at approximately the same rate as in 1927-1928, and rather complacently suggested that "*we are beginning to outlive the sharpening of economic difficulties*".⁴ But a week later, on September 30, 1928, a further impetus was given to the discussion on the control figures by the publication of Bukharin's *Notes of an Economist*,⁵ the main aim of which was to show that the rate of industrial expansion advocated by Vesenkha was incompatible with the equilibrium between industry and agriculture which was the cornerstone of Soviet economic policy.

As Bukharin saw it, the key feature of the economic situation in the autumn of 1928 was the simultaneous presence of a shortage of industrial goods and a shortage of grain, coupled with a huge

¹ *Pravda*, September 25, 1928.

² See pp. 88-89 above.

³ *Pravda*, September 21, 1928.

⁴ *Ibid.* September 26, 1928.

⁵ *Ibid.* September 30, 1928; the discussion of agriculture and long-term planning in this article is dealt with on pp. 89-90 above and 881 below.

growth of industrial production and capital construction. Under the guise of criticizing Trotsky, he attacked the notion that the shortages were due to the slow rate of industrialization, a notion which had become a commonplace among Kuibyshev and his colleagues in Vesenkha. Bukharin pointed out that the demand of the countryside was expected to amount to only a fifth or a quarter of the total demand for industrial goods in 1928-1929. The main demand came from industry and other socialized sectors, and from wage-earners ; demand was too great primarily because industry, "developing madly", was creating a "mad demand" for industrial goods on its own account — "*Industry 'lags' behind itself!!*" The high rate of capital investment had pushed industry up against the "limits" on its development set by the available supply of materials from both industry and agriculture. According to Bukharin, Trotsky's diagnosis of the shortages was quite wrong :

If consequently there is a lack of raw materials and lack of grain . . . and lack of building materials, then one must be a truly ingenious man to demand a still more "super-industrialist" programme.

Having placed the responsibility for the shortages in town and country squarely on the high rate of investment in industry, Bukharin turned to his criticism of current economic policy. An "upper limit" must be fixed for capital investment. This must be derived from three guiding principles. First, the party policy of maintaining sufficient stocks must be carried out : "a policy permanently accompanied by lack of reserves would smack of adventurism". Secondly, the demand from industry, which was partly determined by the level of investment, must not press too hard on supplies :

It is generally known that here our string is stretched extremely tight. *It is impossible to stretch it further and aggravate the goods famine still further. . . . The goods famine must be decisively relieved, and this not as a distant prospect, but in the next few years. The first steps in this direction must be taken at once.*

Thirdly, the capital construction programme must have a real backing in terms of supplies of materials. A famous and controversial passage justified this point :

In order that the industrialization of the country should be carried out in practice and not remain on paper, in order that

capital construction should be a reality and not a bureaucratic "playing with little figures" (Lenin), it is necessary to ensure not only the corresponding quantity of *money*, expressing the demand for building materials, etc., but also the corresponding *supply* of the latter, their physical existence in physical terms, their simple presence and not their future "presence" but their presence at this time, for it is impossible to build "real" factories from "bricks of the future", even according to Böhm-Bawerk. But with us a stand is often taken on some strange point of view of a kind of "*money fetishism*", supposing that, if there is money, there will be everything. But, if particular materials are not available in the quantity necessary (taking economies into account), and if for their production more time is required than the time in which they must be consumed by industry, then money will not help. You can beat your breast, vow your support to industrialization and take your oath on it, and curse all enemies and apostates, but this will not improve things a bit. You can put your trust in the rule "Perhaps we'll get over it", you can play at odds-and-evens, you can look at the tea-leaves and so on, but, alas, objective relations will come into God's world just the same.

Turning to the "objective relations" for 1928-1929, Bukharin set out the expected demand for iron and steel and building materials in order to show that "the shortage (*shortage !* !) is quickly growing (*growing !* !) for all important categories of consumers !" The result was certain :

The over-strain in capital expenditure (1) will not be accompanied by *real* construction to this amount ; (2) will inevitably lead after a certain time to cuts affecting work already begun ; (3) will affect other branches of production extremely unfavourably ; (4) will worsen the goods shortage all round ; (5) in the last resort *will reduce the rate of development*.

Moreover, "in conditions of stable and semi-stable prices it will also have a negative effect on *the money system*". After this impassioned criticism Bukharin's cautious conclusions were almost an anti-climax. He conceded that it was "to the highest degree undesirable to reduce the rate *already achieved*". The goal must be "to *maintain* this rate (not push it higher !)" and lessen the strain on the economy by adopting bold measures to improve productivity and efficiency. His conclusions thus remained

formally within the framework of official policy. But in effect he had attacked very strongly the control figures now being prepared for 1928-1929, in which both Gosplan and Vesenkha proposed a rise of more than a quarter in the level of investment in industry.

In an article in a weekly financial journal bearing the same date as the number of *Pravda* in which Bukharin's article appeared, Frumkin, who had been an active critic from the Right at the time of the July session of the party central committee,¹ intervened in the discussion on the control figures in his capacity as a deputy People's Commissar for Finance. While welcoming the cut made by the presidium of Vesenkha in its original claims for capital investment and budgetary grants, Frumkin insisted that "the plan proposed by the presidium is unacceptable both on general national economic, and in particular on financial, grounds". It was true that the plan did not "satisfy in full all the wants of the country"; but in Soviet conditions, Frumkin argued, the criterion of wants was inapplicable:

With the endeavour of Soviet power to give maximum material wealth to the working people, the wants of the country are limitless . . . we must primarily reckon with possibilities.

In the Soviet Union, phenomena of crisis can appear if wants are satisfied without sufficiently taking our possibilities into account.

He went on to complain that in 1927-1928 Vesenkha had over-invested, using short-term credits for this purpose; but in physical terms the financial programme would not be met. Narkomfin proposed that the plan for capital investment in industry in 1928-1929 should be reduced to 1530 million rubles plus a 50 million ruble reserve, and that the budget allocation to industry should also be substantially less than the amount proposed by Vesenkha.²

The tension resulting from the Vesenkha proposals for capital investment in 1928-1929 was brought to a head by Bukharin's

¹ See pp. 74-75 above.

² *Finansy i Narodnoe Khozyaistvo*, No. 40, September 30, 1928; these figures exclude electric power construction. In the budget debate in TsIK in April 1928, Frumkin had already declared that the amount of industrialization could not be measured by the number of rubles spent; more expenditure resulted in a shortage of materials, and the resulting competition increased construction costs (3 *Sessiya Tsentral'nogo Iсполnitel'nogo Komiteta Soyuza SSR* 4 *Sozyva* (1928), pp. 238-239).

dramatic intervention. Zolotarev, a member of the presidium of Vesenkha, referred to the "passionate struggle which has boiled up round the problem of capital construction in 1928-1929" and commented:

It is completely comprehensible that all those to whom the interests of the maximum rate of industrialization are dear should be ready to defend the Vesenkha project with the utmost energy, upholding it against all other projects.¹

The fourth Gosplan congress, which opened on October 10, 1928, was dominated by this struggle.² In his general report Grinko, now a vice-president of Gosplan, agreed that the control figures of the previous year had underestimated the possibilities of industrial development, but strongly hinted that the total of investment proposed both for industry and for other sectors of the economy for the two years 1928-1929 and 1929-1930 in the latest Vesenkha draft of the five-year plan would not be reached.³ Kviring, in his report on the plan for capital construction, resisted the Vesenkha proposal for an investment in industry of 1678 million rubles, including 50 million rubles in reserve. He put forward a counter-proposal of Gosplan for a maximum investment of 1652 million rubles, which was conditional on a substantial increase in the finance provided by industry itself through additional reductions in production costs; to ensure that this would be forthcoming, 150 million rubles of this total should be treated as a "reserve", which could be utilized only if production costs had fallen by 8 per cent before April 1, 1929, and the efficiency of the building industry itself had also improved.⁴ Kviring suggested, however, that a proportionately larger part of the changes proposed should fall on the consumer goods industries.⁵ On behalf of

¹ *Ekonomicheskaya Zhizn'*, October 2, 1928; Zolotarev was appointed a member of the presidium in July 1928 (*Torgovo-Promyshlennaya Gazeta*, July 24, 1928).

² The congress was preceded by a series of meetings of the presidium of Gosplan, the first on September 19, 1928, at which the proposals of Vesenkha and other government departments for 1928-1929 were discussed with their representatives (*Torgovo-Promyshlennaya Gazeta*, September 19, 30, October 7, 1928).

³ *Ekonomicheskaya Zhizn'*, October 12, 1928.

⁴ For the discussion about the reduction of production costs see pp. 346-347 below; for Kviring see p. 286, note 1 above.

⁵ *Ekonomicheskaya Zhizn'*, October 14, 1928.

Vesenkha, Kosior bitterly opposed the proposals of Gosplan as an attack on the general level of investment planned by Vesenkha, and described the proposal to put some investment in reserve as a "fig-leaf".¹ Gosplan now evidently considered that the claims of industry had been pressed too far. Even Strumilin, one of the foremost supporters in Gosplan of the interests of industry, criticized "the excessive claims of certain government departments, and especially of industry":

It must be said to the officials of Vesenkha that industrialization is not only what Vesenkha and even the whole of state industry, taken together, do in the matter of developing capital construction. Vesenkha forgets in its claims the law-governed chain which links all sectors of the economy embraced by the broad concept — *industriya*.²

In his summing up Krzhizhanovsky, the president of Gosplan, commented that Vesenkha officials had "lost their feeling for reality".³ The congress ended ambiguously by passing a resolution which spoke of the "great strain" due to the lack of material and financial reserves, and approved the capital investment figure proposed by Gosplan as "in the main correct", including the provisions for putting 150 million rubles of the investment to reserve, but added that the reserve should be reapportioned to the benefit of the metal, building materials and coal industries.⁴ The effect of this would have been that any cut in investment due to a failure of the plan for cost reduction in industry would have fallen still more heavily on the consumer goods industries. For its part, Vesenkha maintained its uncompromising defence of its own proposals. An editorial in the industrial newspaper reaffirmed that any attempt to put the investment plan of industry "under the

¹ *Ekonomicheskaya Zhizn'*, October 16, 1928; *Torgovo-Promyshlennaya Gazeta*, October 16, 1928.

² *Ekonomicheskaya Zhizn'*, October 16, 1928; the word "*industriya*" was used to contrast industrialization, broadly conceived as the industrializing of all sectors of the economy, including agriculture, with the development of industry in the narrower sense — "*promyshlennost'*".

³ *Ibid.* October 16, 1928: tension between Vesenkha and Gosplan is perhaps indicated by an editorial note in *Torgovo-Promyshlennaya Gazeta*, October 16, 1928: "The speeches of comrades Andreichik and Strumilin unfortunately cannot be reported by us in view of the fact that our correspondent was not admitted into the hall on the orders of the academic secretariat of the Gosplan of the USSR."

⁴ *Ekonomicheskaya Zhizn'*, October 14, 1928.

guillotine of a book-keeping balance of the budget for 1928-1929", and to cut investment in order to make an "optimum" distribution among the rival sectors of the economy would be "the worst form of vulgar realism".¹

The debate about the investment figure for 1928-1929 continued for some weeks. The semblance of Politburo unity was maintained in the press until the summer of 1929; Bukharin was not criticized by name. But many articles published at this time sought almost explicitly to answer his challenge. His diagnosis of the goods shortage as fundamentally due to the higher rate of investment was not effectively contested by his opponents. Their main concern, while seeking to diminish the importance, extent and probable duration of the shortages, was to maintain that the higher rate of investment in industry must be an over-riding objective, and could be achieved in spite of all the difficulties. The economic newspaper in a leading article argued that the technical backwardness of Soviet industry made rapid industrialization essential, and that the more rapid development of heavy industry was required by "*our international tasks*".² The industrial newspaper, ostensibly replying to Frumkin's criticisms of the control figures, wrote:

We do not deny the existence of a goods famine, but we do not draw from this the conclusion drawn in 1925-1926 by some comrades working at that time in Narkomfin: we do not think it necessary to cut down industry and capital construction in order to cure the goods famine.³

During the discussion, much was heard of Bukharin's "bricks of the future". In a reply published in the industrial newspaper, Frumkin suggested that "the future historian will stop in disbelief when confronted by *Notes of an Economist* (Bukharin), which needed to take *a page and a half* in *Pravda* to prove the controversial truth that you cannot put up buildings without building materials". The industrial newspaper replied that the shortage of bricks and other materials should be dealt with by increasing production and improving distribution rather than by changing the priorities of the plan. It also suggested that

¹ *Torgovo-Promyshlennaya Gazeta*, October 14, 1928.

² *Ekonomicheskaya Zhizn'*, October 18, 1928.

³ *Torgovo-Promyshlennaya Gazeta*, October 20, 1928; for Frumkin's criticisms see pp. 320-321 above.

shortages which still remained could be met by cuts in the non-industrial sectors of the economy :

Why is it necessary to cut *industrial* construction if bricks are in short supply ? ¹

While these discussions were taking place in the economic press, the controversy spread directly into the party itself. On October 18 and 19, 1928, the first open attacks were made on the "Right danger" in the party at the special session of the Moscow party committee and control commission. The open letter addressed by the party central committee, on the day the session opened, to the members of the Moscow organization described the new period as one of "direct socialist transformation of the national economy on the basis of new technology", a period in which the effort to catch up and overtake the capitalist countries on internal resources involved "enormous strain" and required "iron discipline". The resulting economic difficulties had led to "certain hesitations both of particular strata of the working class and of some units in the party itself", and to the emergence of "tendencies to reduce the rate of development of industry in general and of heavy industry in particular"; but a slowing down in the development of heavy industry would soon lead to greater difficulties, and "would condemn the country to a grave dependence on world capital".² Stalin, in his speech to the Moscow committee on October 19, 1928, condemned "certain groups of our communists" who *inter alia* "require the cutting back of our industry, considering the present rate of its rapid development fatal for the country"; and claimed that they were "trying, perhaps without noticing it themselves, to adapt the job of our socialist construction to the tastes and wants of the 'Soviet' bourgeoisie". The condemnation was accompanied, however, by a curt attack on the Trotskyites' "fantastic plan for carrying out super-industrialization, even at the price of a split with the peasantry".³ But the threat from the Right was now treated as

¹ *Torgovo-Promyshlennaya Gazeta*, October 21, 1928; see also *Puti Industrializatsii*, No. 21, 1928, p. 21.

² For this letter see p. 91 above.

³ For Stalin's speech see pp. 91-92 above. Smilga's memorandum attacking Bukharin's article (see p. 90 above) was dated October 23, 1928, the day of publication of Stalin's speech in *Pravda*; it condemned centrists who were content with the ambiguous slogan "maintain the present rate of

the serious danger. In an article published in *Pravda* a few weeks after the session of the Moscow committee Vaisberg, a party economist in Gosplan who was a strong advocate of purposive planning, attacked a "system" of views "forming itself in and around the party", in which "an obvious part is also being played by our Soviet governmental machinery, by the ideas and principles of a whole number of non-party officials", directed towards demonstrating that there was "too much industrialization" and "too much socialism in the country".¹

The rift spread to the Politburo itself in the course of the preliminaries to the session of the party central committee which opened on November 16, 1928.² Rykov's draft resolution on the control figures for 1928-1929 was rejected by the Politburo, and the figures which it contained were revised in an upward direction.³ After a clash between Stalin and Bukharin a compromise was reached, and Rykov presented the revised text to the central committee. The draft resolution in its final form stressed the interdependence of agriculture and industry, and the harmful consequences to industrialization of the lag in grain production. The capital investment plan was said to be conditional on the fulfilment of a plan to reduce industrial costs by 7 per cent — a compromise between the Vesenkha and Gosplan proposals. The resolution, while referring to the importance of light industry and handicrafts, supported "a strained rate of development of industry and of the industrialization of the country in general", and stressed that heavy industry and producer goods were "the departure point for the industrialization of the country". The key decision was recorded in one brief clause :

Capital investment in industry in 1928-1929 will amount to up to 1650 million rubles against 1330 million rubles last year.⁴

industrialization", and contrasted them with the opposition, which stood for an increased rate of industrialization. ¹ *Pravda*, November 14, 1928.

² For this episode in its relation to agriculture see pp. 92-93 above; its political aspects will be discussed in a subsequent volume.

³ Rykov and Kuibyshev clashed at a meeting of STO on November 4, 1928 : when Kuibyshev was speaking on the importance of investment in heavy industry, Rykov interjected that this must not exceed the level at which market equilibrium would be maintained, and was firmly rebuffed by Kuibyshev (A. Khavin, *U Rulya Promyshlennosti (Dokumental'nye Ocherki)* (1968), pp. 65-66).

⁴ *KPSS v Rezolyutsiyakh* (1954), ii, 525-540; for the parts of the resolution relating to agriculture and planning see pp. 94 above and 820-821 below.

This figure was considerably higher than the proposals of the early drafts of the five-year plan, and 25 per cent above the level of investment in 1927-1928.

The draft resolution, in form a compromise, marked the substantial defeat of the Right wing. On the eve of the session of the central committee, on November 15, 1928, it was announced that the presidium of Gosplan had approved a revised plan for capital investment in industry of 1659 million rubles in 1928-1929, out of which only 25 million rubles were to be placed in reserve; no conditions about the reduction of production costs were mentioned in the press report.¹ Shortly afterwards, these figures were approved by Sovnarkom.² Sovnarkom further underlined the importance now attached to heavy industry by reducing the investment planned for Group B industries in 1928-1929, which was already a substantially smaller proportion of the total than in 1927-1928, from 403 to 377 million rubles, so that it would remain at roughly the same level in 1928-1929 as in 1927-1928.³ On the day the session of the central committee opened, *Pravda* carried an article by Kamenev, who had now recanted and abandoned the opposition, attacking the "struggle to reduce the given rate of industrialization";⁴ Stalin later stated modestly that, in the course of the discussions preceding the session of the central committee, "the existing rate of growth of industry was preserved".⁵

The draft resolution on the control figures was the first item on the agenda; it was presented by Rykov, but the central committee also heard a report on the control figures from Krzhizhanovsky.⁶ On November 19, Stalin spoke in the discussion, devoting the first section of his speech to the defence of a high rate of growth in industry:

¹ *Pravda*, November 15, 1928.

² On November 17, 1928, a *Pravda* editorial stated that "1659 million rubles has been approved for 1928-1929"; on the following day, November 18, 1928, *Ekonomicheskaya Zhizn'* reported that Vesenkha had informed its *glavki* that both the figure of 1659 million rubles and the decision to place only 25 million rubles in reserve had been accepted by Sovnarkom.

³ *Ibid.* November 18, 1928; *Kontrol'nye Tsifry Narodnogo Khozyaistva SSSR na 1928-1929 god* (1929), p. 472.

⁴ *Pravda*, November 16, 1928.

⁵ Stalin, *Sochineniya*, xi, 320.

⁶ Rykov's report was not published; extracts from Krzhizhanovsky's report appear in G. Krzhizhanovsky and others, *Osnovnye Problemy Kontrol'nykh Tsifr Narodnogo Khozyaistva na 1928/29 god* (1929), pp. 5-47.

Can we not manage without strain? Surely we could do the job at a slower rate, in a "calmer" context? Is not the rapid rate of industrial expansion which we have adopted to be explained by the restless character of the members of the Politburo and Sovnarkom? Of course not. The people in the Politburo and Sovnarkom are sober and calm. Speaking abstractly, and independently of the environment abroad and at home, we could of course do the job at a slower rate. But the point is that, first, it is wrong to reason independently of the environment abroad and at home, and secondly, if one thinks in terms of the environment in which we are placed, then it must be recognized that this environment compels us to adopt a rapid rate of growth for our industry.

Anticipating a theme to which he was to return in a famous speech of January 1931, he argued that it was urgent to "catch up and surpass" the advanced countries of the capitalist world in which technology was "simply rushing ahead"; "either we achieve this, or they will destroy us". The industrial base for defence, he argued, must be adequate if independence were to be preserved. He quoted the example of Peter the Great, whose feverish construction of factories to supply the army and strengthen defence had been an "attempt to leap out of the framework of backwardness", and argued that the proletariat would be able to solve the problem which the feudal aristocracy and the bourgeoisie had not even posed properly. If industry had been as important in the Soviet economy as in the German economy, it could have been permitted to expand less rapidly; if the proletariat had been in power in Germany and France, the Soviet Union would have been able to import machinery; but the isolation of the Soviet Union and its encirclement by advanced capitalist countries made the struggle to overtake them a matter of "life and death for our development". Internally, the extreme backwardness of agriculture and the predominance of small-scale producers meant that socialist industry was "an island in the sea"; industrial development was required so as to reconstruct agriculture on a collective basis and supply it with a maximum amount of means of production. Stalin found the key to the draft resolution in the figure of 1650 million rubles to be invested in capital construction in industry in the year 1928-1929 (the vague phrase "up to 1650 million

rubles " in the resolution was silently superseded) ; and he sharply criticized Frumkin for failing to understand that a reduction in the plan for capital investment in industry would reduce the rate of development of industry and " worsen the position of our whole economy ".¹ The resolution on the control figures — the first occasion on which the party central committee had endorsed specific annual figures — carried with it three implications which were henceforth decisive for industrial policy. First, nothing must stand in the way of the " existing rate of industrialization " ; the apparently cautious phrase was interpreted as referring to existing *plans* for industrialization. Secondly, the rate of industrialization must be such that it involved " strain " ; the goods shortage might be mitigated, but it was for a time inescapable. Thirdly, agricultural growth, though important, must be secured primarily by successful industrialization, which would increase supplies of tools and machinery ; resources for agriculture must be obtained not at the expense of, but in addition to, the allocations to industry.

The priority ceded to industry by the decisions of the November meeting of the central committee was now enforced. Shortly after the November 1928 session, Kuibyshev declared at the fourth plenum of Vesenkha that the " especially severe " shortage of producer goods made it necessary to increase capital investment in these industries by a further 25 million rubles and to make an addition to working capital of about the same amount.² At the eighth trade union congress in December, Kuibyshev once more denounced the Narkomfin professors and other economic advisers, among whom he named Bazarov, a leading Gosplan official :

These bourgeois ideologists are economists working in our Soviet offices. They write in our Soviet journals. Unfortunately they sometimes influence the thinking of one or two of our Soviet offices. Therefore I am bound to pay attention to them ; for a decisive struggle is needed against this ideology of development at a snail's pace.³

The publication in the same month of the December draft of the five-year plan prepared in Vesenkha led to a further clash between

¹ Stalin, *Sochineniya*, xi, 246-249, 256-257, 276 ; for this speech see also p. 93 above. For earlier versions of the call to " catch up and surpass " the capitalist countries see pp. 288, 294 above ; see also p. 414 below.

² *Torgovo-Promyshlennaya Gazeta*, November 28, 1928.

³ *Vos'moi S'ezd Professional'nykh Soyuzov* (1929), pp. 374-375.

Vesenkha and Gosplan in which Gosplan resisted the higher rate of industrialization proposed by Vesenkha ; but the proposals of Vesenkha triumphed.¹

The truce among the party leaders lasted only for a few weeks. While the economic discussions of January 1929 turned mainly on agricultural policy, the paramount demands of industrialization lay behind every other issue. The resolution of February 9, 1929, condemning Bukharin, Rykov and Tomsky, reaffirmed that the "tribute" paid by the peasantry in the form of unfavourable prices "cannot be abolished immediately if we do not want to give up industrialization".² Molotov, in a strong speech to the Moscow party conference on February 23, 1929, reaffirmed the need to undertake "the most rapid possible growth of industry", both because of the "continuous and increasing threat of attack by the imperialists", and because the goods shortage could be overcome only by expanding capital construction in industry: "*on the question of rates of growth, the party cannot permit any fluctuations*".³ At the April session of the party central committee the pace of industrialization was again a central theme of the criticism from the Right ; Uglanov defended the claims of light industry, describing it as a hen which laid golden eggs, and suggesting that heavy industry might be suffocating the hen,⁴ and Bukharin reiterated his earlier views.⁵ In its resolution of April 23, 1929, on internal party affairs, the central committee closely associated the conflict about agriculture with the problem of industrialization :

The period of reconstruction implies a serious breakthrough in the economic and political development of the USSR. The necessity of catching up and surpassing the advanced capitalist countries technically and economically obliges the party to pursue a policy of a rapid rate of expansion of industry. In putting socialist industrialization into practice, the proletariat has now embarked on the very difficult work of rooting out capitalism in the national economy and on the work of the socialist transformation of agriculture, which is our central objective in the countryside for the forthcoming period.

¹ See pp. 884-886 below.

² *KPSS v Rezolyutsiyakh* (1954), ii, 558 ; for this resolution see pp. 247-248 above.

³ *Torgovo-Promyshlennaya Gazeta*, February 27, 1929.

⁴ *Shestnadtsataya Konferentsiya VKP(B)* (1962), pp. 114, 782.

⁵ See pp. 250-251 above.

In this context the resolution castigated Bukharin's *Notes of an Economist*, the declaration of Bukharin, Tomskey and Rykov on February 9, 1929, and their statements at the meeting of the central committee, as "clearly directed towards reducing the rate of industrialization".¹

The sixteenth party conference, which met from April 23 to 29, 1929, publicly celebrated the triumph of the policy of rapid industrialization.² Even Rykov, in his report to the conference on the five-year plan, admitted that "many of us were mistaken in thinking that, with the transition from the so-called restoration period to the period of reconstruction, the rates of development of our economy and of industry in particular would suffer a decisive reduction and be much lower than those we have actually achieved in recent years".³ Kuibyshev, in his speech in the debate, reminded the conference that industrial production had increased in 1927-1928 by 23 per cent, and that under the plan for 1928-1929 it would increase by a further 21 per cent; he pointed out with pride, as he had already done at the trade union congress in the previous December, that these rates of growth were considerably in excess of those proposed by Gosplan in the spring of 1927. He contrasted them with those of the United States:

Life has revealed that we did not sufficiently take into account all our possibilities, we paid insufficient attention to all the advantages which the Soviet system offers us with its nationalization of land, works and factories and its planned management of the economy.

In the course of his discussion of the rate of growth, Kuibyshev again condemned the views of the Right, and, while adhering to the convention that Bukharin, Rykov and Tomskey should not be mentioned by name, identified them with the reactionary elements outside the party:

Of course you know the talk that we are proceeding with too much strain. They tell us that we could surely take it more easily, adopt a somewhat calmer course of development, hold back the development of industry to equalize its rate of

¹ *KPSS v Rezolyutsiyakh* (1954), ii, 551-552.

² For agricultural aspects of the conference see pp. 252-253 above; for planning aspects see pp. 892-894 below.

³ *Shestnadtsataya Konferentsiya VKP(B)* (1962), p. 11.

growth with agriculture, and so on. All this talk is merely the expression in our party, in a few of its strata, of the petty-bourgeois vacillations which are quite naturally inherent in our country, because it contains within it huge strata of small proprietors, because we are a country with a small-scale private scattered agriculture.

The rate of growth was "a question of principle both of our economic policy and of the whole struggle of socialism with capitalism within our country and outside it", and no concession could be made. On the contrary:

What is needed above all is a faster rate of growth for heavy industry which produces the means of production, the instruments of production.¹

The achievements of industry in the year 1928-1929 seemed to justify the feeling of confidence in Vesenkha. On May 8, 1929, the planning department of Vesenkha, after hearing a report from Ginzburg, recorded the outcome of the first six months of the year (October-March) as "more or less satisfactory". Industrial production in Vesenkha-planned industry as a whole exceeded by 19.7 per cent that of the corresponding period of 1927-1928. This was somewhat less than had been planned; in particular, production lagged behind the plan in the chemical, engineering and non-ferrous metal industries; moreover, in some industries quality had deteriorated. The planning department pointed out, however, that the mechanization of coal mining was going ahead satisfactorily; in the iron and steel industry, the supply of coke and scrap was regular and additional blast-furnaces had started work as planned; the supply of timber and metal to the agricultural engineering industry was more regular; in spite of "a serious shortage of building materials", production had been expanded as required; preparation for the building season was more advanced in 1929 than it had been in 1928. On the other hand, costs had not been reduced as planned, and the financial

¹ *Shestnadtsataya Konferentsiya VKP(B)* (1962), pp. 57-59; for earlier proposals about growth-rates in industry see pp. 275 above and 856, 876-877 below.

position of industry was "very strained".¹

The second half of the economic year was a further period of advance in industrial production. In 1927-1928, the drive for increased production had prevented the seasonal falling off in growth which normally occurred in the January-March quarter. In 1928-1929, the drive for increased production continued throughout the year, and in the final July-September quarter growth was at its most rapid.² Over the whole year, the production of Vesenkha-planned industry was reported to have increased by more than the planned figure. The production of Group A Vesenkha-planned industry rose considerably faster than that of Group B industry, though the increase in Group B was greater than planned.³ As in 1927-1928, the actual amount of consumer goods available to the market increased more slowly, owing to the slower rate of increase of the small-scale artisan industries and the decline of private industry.⁴ The worsening goods shortage made both consumer and producer goods easier to sell, and reports frequently appeared that, as a result, the quality of production had deteriorated in a number of industries.⁵

In spite of its failure to fulfil completely the programme of costs reduction,⁶ industry succeeded in 1928-1929 in obtaining and spending its full capital investment allocation. Capital investment in Vesenkha-planned industry was reported to have equalled the planned figure and to have been 27 per cent higher than in the previous year; within the total allocation, a very marked shift was made towards investment in the producer goods industries.⁷ In 1928-1929 capital investment in industry was twice as large as it had been in 1925-1926, when it already equalled or exceeded the pre-war level. By the summer of 1929, the drive to overtake the advanced capitalist countries and to transform the technology inherited from pre-revolutionary industry dominated all economic policy.

¹ *Protokol Zasedaniya Prezidiuma VSNKh SSSR, 1928-1929*, No. 19, *Prilozhenie*; on costs see p. 348 below.

² See *Pokazateli Kon'yunktury Narodnogo Khozyaystva SSSR za 1923/24-1928/29 gg.*, ed. A. Mendel'son (1930), pp. 14, 149.

³ See Table No. 13, p. 948 below; for the planned figure see *Ekonomicheskaya Zhizn'*, October 16, 1928.

⁴ See Tables No. 12 and 15, pp. 947, 950 below.

⁵ See, for example, *Ekonomicheskoe Obozrenie*, No. 12, 1929, p. 17.

⁶ See pp. 348-349 below

⁷ See Table No. 18, p. 953 below.

CHAPTER 13

COSTS AND EFFICIENCY

AT the beginning of 1926 an impasse had been reached in the struggle to reduce costs of production in industry. The successes achieved in the winter of 1924-1925, when wages were frozen and productivity rose rapidly, were partly eroded by the renewed rise in wages in the second half of 1925, and by the first unmistakable symptoms of inflation.¹ Neither of the two immediate aims of cost reduction — to lower the prices of industrial products and to increase industrial profits — seemed any longer within reach. These developments could not be dismissed merely as temporary mishaps. The ending of the wage-freeze in the spring of 1925 showed that considerable firmness was required if any substantial gap between increases in productivity and increases in earnings was to be maintained. The economic difficulties of the summer and autumn of 1925 showed that the margin of resources available to the central authorities for expansion without inflation was quite small. Rising industrial costs created a financial crisis in such major units as Yugostal and Yuzhmash-trest in the spring of 1926.² The difficulties were made more acute by longer-term influences which began to be effective at this time. As one industry after another approached its pre-war level of production, prospects of increases in productivity diminished; the lower-cost factories and more efficient plant had been brought back into operation first, so that increases in production now tended to involve the use of older capital equipment at higher costs. Faced with a situation in which Preobrazhensky and the

¹ See *Socialism in One Country, 1924-1926*, Vol. 1, pp. 391, 394-395, 479-481.

² *Torgovo-Promyshlennaya Gazeta*, May 25, July 29, 1926; in Yugostal costs rose by 22 per cent in the first six months of 1925-1926. It was this crisis in particular which led Dzerzhinsky to press for the tightening of labour discipline (see p. 486 below).

Left opposition advocated industrialization by means of increased pressure to extract surpluses from the peasant, and voices from the Right called for a reduced rate of industrial expansion, Vesenkha launched early in 1926 a campaign for a "régime of economy" which was designed to promote industrialization without resort to policies involving undue pressure on the peasantry.

The campaign, which continued and intensified the efforts to reduce industrial costs made ever since 1923, was opened by a Vesenkha order of February 23, 1926, headed "The Régime of Economy" and associating the need for strict economy in industry with the need to obtain resources for the "new phase" of "new industrial construction and radical re-equipment".¹ On March 4, 1926, Dzerzhinsky stated in an interview that reduction in costs would enable retail prices to be reduced, so that the régime of economy was "a struggle for the link with the peasantry, a struggle for real socialist construction".² Pyatakov, then deputy president of Vesenkha, stressed the importance of the régime of economy for industrialization, declaring that the slogan should be "Use every kopek for new industrial construction, use every kopek saved to re-equip our industry technically".³ On April 25, 1926, an appeal entitled *The Struggle for a Régime of Economy*, signed by Stalin on behalf of the central committee of the party, and by Kuibyshev on behalf of its central control commission, also called for a major effort to obtain resources for economic development. The appeal stressed the urgency of "maximum" industrial growth, which would require the construction of new factories. But it frankly emphasized that "in contemporary conditions we can rely only on internal factors and resources", and that these internal resources had to be tapped in spite of "an extreme shortage of capital". Emphasizing the poverty of the country, "which is dragging itself out of a welter of devastation, destruction and impoverishment", the appeal called for a "régime of economy" in every branch of state activity; stringent economies, enforced over a number of years, were the only way to obtain the required level of internal savings for investment. It also called for "stubborn and consistent work to increase labour productivity as an

¹ *Torgovo-Promyshlennaya Gazeta*, February 24, 1926.

² F. Dzerzhinsky, *Izbrannye Proizvedeniya*, ii (1957). 257-258.

³ *Torgovo-Promyshlennaya Gazeta*, April 16, 1926.

extremely important source of socialist accumulation".¹ Three weeks after its publication, on May 18, 1926, a STO decree called for an average increase in the labour productivity of industry and transport by 10 per cent in the remainder of the year 1925-1926. To achieve this, labour discipline must be improved, the capacity of existing enterprises must be fully used, and hold-ups must be reduced by improvements in supplies.²

During the next few months, the slogan was featured very prominently in the press and in party propaganda. The campaign was seen as the key to the problems of a proletarian party in power in an agrarian country. One writer stressed that the deliberate imposition of state discipline and self-discipline was made essential by the monopoly position of state industry, which encouraged a "tendency to bourgeois degeneration".³ Kalinin acclaimed the campaign as a major historical departure from the "consumer habits" of Tsarist Russia.⁴ The campaign reached its climax in June and July 1926. On June 11, 1926, a decree on the régime of economy, issued jointly by TsIK and Sovnarkom, repeated and amplified the proposals of the April appeal, and instructed Rabkrin, the control organs of Narkomfin and the inspection commissions of government departments to work to enforce these proposals: the procurator's office should be informed of criminally bad management by officials, and such cases were to be handled by the courts as matters of urgency.⁵ But the campaign was already by this time running into difficulties. After the session of the party central committee in July 1926, when the opposition sharply criticized the campaign as a device for putting pressure on the workers,⁶ the party majority retreated. On August 16, 1926, a declaration about the campaign by Sovnarkom and the central committee and central control commission of the party, signed by Rykov, Stalin and Kuibyshev, condemned "the completely impermissible measures of particular economic organs which have

¹ *Direktivny KPSS i Sovetskogo Pravitel'stva po Khozyaistvennym Voprosam*, (1957), 578-583.

² For this decree see *Socialism in One Country, 1924-1926*, Vol. 1, p. 403; see also pp. 485-486 below.

³ *Bol'shevik*, No. 12, June 30, 1926, pp. 24-25.

⁴ *Rezhim Ekonomii; Sbornik Direktivnykh i Instruktivnykh Materialov* (1926), p. 33.

⁵ *Direktivny KPSS i Sovetskogo Pravitel'stva po Khozyaistvennym Voprosam*, i (1957), 585-587; see also p. 486 below.

⁶ See p. 488 below.

seriously harmed the welfare of the workers", listing illegal cuts in the proportion of juveniles employed, deterioration in the quality of working clothes, the cutting off of hot water and lighting in workers' clubs, attempts to change labour conditions and violate collective agreements, and a "masked reduction of wages". In terms strongly reminiscent of opposition protests, it declared that "these ugly acts are made worse by the fact that they have been carried out *while* excessive bureaucratic staffs have been retained in administrative bodies, *while* there has been impermissible protection of 'higher ranks' . . . , *while* transport and motor-cars have been impermissibly used by the 'higher ranks', *while* bonuses have been issued to the same 'higher ranks', *while* there have been masked increases in pay for 'higher officials' in the form of endless official journeys and of the issue of advances that are not repayable". The declaration firmly restated the principle that "the aim of the régime of economy is not to reduce, but continuously to improve, the material and cultural level of the working class", and gave a warning that party members who did not combat the abuses would be expelled.¹ It was followed on the next day by legislation to increase wages.² In the atmosphere of struggle against the united opposition, denunciation of the negative aspects of the economy campaign continued until the end of 1926. Both at the fifteenth party conference in October 1926 and at the seventh trade union congress in December, the "distortions" of the summer campaign were again strongly criticized from the platform; one speaker, expressing what was now a conventional official view, declared that "the centre of gravity in carrying out the régime of economy lies not in small cuts in the daily needs of the workers but in reconstructing the whole system of our economic management, the system of work of our state machine".³

The August declaration, and subsequent statements by government leaders, were careful to distinguish these "distortions" of the campaign from the campaign in principle. The August declaration stated that what had been done so far had produced a "*break-through* in the transition from wastefulness and slovenli-

¹ *Direktivy KPSS i Sovetskogo Pravitel'stva po Khozyaistvennym Voprosam*, i (1957), 590-596.

² See p. 522 below.

³ *Sed'moi S"ezd Professional'nykh Soyuzov SSSR* (1927), pp. 464, 742-746.

ness to rational management and a thrifty attitude to state resources and the expedient use of these resources", and saw this as merely the initial stage in establishing a régime of economy which was to continue "throughout the whole period of our economic development". To find additional resources within industry itself was the only alternative "to fleecing the peasants to the maximum, to squeezing maximum resources out of them and transferring what has been squeezed to the needs of industry".¹ Though the slogan of "the régime of economy" became a permanent part of standard Soviet economic vocabulary, from the summer of 1926 onwards it was used less frequently than before. At the fifteenth party conference, the resolution on the trade unions, while condemning the "bureaucratic distortions" which had occurred, stressed the importance of the régime of economy and emphasized the need for "an energetic struggle against irresponsible attitudes to production and labour discipline". But the main economic resolution confined itself to administrative expenditure; the section concerned was appropriately headed "The régime of economy and new objectives in regard to administration".² Some months later, when new campaigns were already under way, an editorial in the industrial newspaper commented that "the direct struggle for a régime of economy has at present significantly fallen away to nothing".³

This was not merely the failure of a slogan; to a considerable extent it was also the failure, at least for the time being, of the campaign to cut costs by the simple device of increasing the output of the worker while holding down his wages and depressing his working conditions. In a single issue of the information bulletin of Gosplan two contradictory assessments were published. The earlier report was optimistic, and attributed the healthy market situation of April-June 1926 partly to the fact that "the régime of economy has been introduced within the framework of a necessary restraint in demand from state institutions and enterprises". The

¹ *Direktivy KPSS i Sovetskogo Pravitel'stva po Khozyaistvennym Voprosam*, i (1957), 591-592.

² *KPSS v Rezolyutsiyakh* (1954), ii, 315-316, 297-299; a resolution of the central control commission dated October 22, 1926, stressed that the campaign should in future concentrate on the rationalization of administration and production and on the struggle against waste (*Spravochnik Partiinogo Rabotnika*, vi (1928), i, 319-321).

³ *Torgovo-Promyshlennaya Gazeta*, June 22, 1927.

later report, a preliminary review of the year 1925-1926, dismissed the campaigns for labour discipline, rationalization and the régime of economy on the grounds that they had been "to a considerable extent formal in character and proved insufficient in the struggle to reduce costs".¹ Economic officials in various departments were agreed that the net outcome of the economic year 1925-1926 was unfavourable so far as costs and efficiency were concerned. Industrial costs, instead of falling by 7 per cent during the year as had been planned, in fact rose by 1.7 per cent, or by as much as 3.5 per cent if increases in excises were included in costs.² The main factor in the failure to reduce costs was the failure of productivity during 1925-1926, as in the latter part of 1924-1925, to keep pace with wages. In the second half of the year 1925-1926, the régime of economy certainly had some effect on industrial costs. But, while the campaign was in progress, freight charges and prices of certain materials and fuel were increased, and in September 1926, the last month of the economic year, wages were also increased. Industrial costs were therefore still rising at the end of the economic year.³

In spite of the failure, or partial failure, of the régime of economy campaign, the general economic situation in 1926 gave grounds for confidence. Investment in industry was higher than in the previous year; the critical months of late summer and early autumn passed without economic crisis; and consumer goods were more easily available on the market than at any time since the revolution, in spite of the rise during 1925-1926 in both urban and rural purchasing power. But, in view of the continued rise in industrial costs, a very cautious attitude was generally taken to the prospects of cost reduction in 1926-1927. In its control figures for 1926-1927, Gosplan, calculating that wages would rise as fast as productivity, and that prices of agricultural raw materials purchased by industry would increase, concluded that "no noticeable

¹ *Informatsionnyi Byulleten' Gosplana SSSR*, No. 8, 1926, pp. 6-9, 2-3.

² For figures of the reduction of production costs in industry planned and achieved from 1925 to 1929 see Table No. 20, p. 954 below.

³ For a discussion of industrial costs in 1925-1926 see *Informatsionnyi Byulleten' Gosplana SSSR*, No. 9, 1926, pp. 2-3; *Promyshlennost' SSSR v 1926/27 godu* (1928), pp. 104-105; *SSSR : Ot S"ezda k S"ezdu (Mai 1925 g.-Aprel' 1927 g.)* (1927), pp. 31-32; *Torgovo-Promyshlennaya Gazeta*, September 12, 17, November 28, 1926.

reduction in the cost of production can be expected".¹ At first, Vesenkha was surprisingly more optimistic than Gosplan, and calculated that the gap between increases in productivity and increases in wages would be fairly wide, making possible a reduction in costs by 3 per cent.² At this point the decision to embark upon an immediate increase in wages was unexpectedly taken.³ On September 15, 1926, the presidium of Vesenkha foresaw a "danger for the whole economy" resulting from "the extremely limited nature of the reserves for cost reduction in 1926-1927".⁴ In the first months of the economic year 1926-1927 industrial costs continued to rise. At the end of November 1926 Sokolovsky, the non-party expert who was the principal official in Vesenkha concerned with problems of costs, reported that "the fulfilment of the directive of the president of Vesenkha to reduce costs by 2-3 per cent imposes great strains on industry"; and Vesenkha eventually concluded that the maximum possible reduction was 1 per cent.⁵

Pessimism about the prospects of cost reduction necessarily implied that industrial wholesale prices could not be reduced; reduction of prices paid to industry without reduction in its costs would cut into the profits available to finance its own expansion. During December 1926 and January 1927 the party decided, however, to undertake a major campaign to find resources within the state sector. Like the campaigns of 1924 and 1926, the campaign of 1927 sought to provide resources for investment in industry. But its main immediate objective was to make additional resources available for an improvement in the standard of living in both town and country; the improvement was to be achieved by reducing the prices of industrial consumer goods. The first move was apparently a decision taken by the Politburo in December 1926 to embark on a new price reduction campaign, which was to entail a reduction of wholesale as well as retail prices.⁶ If the previous decision that industrial costs could not

¹ *Kontrol'nye Tsifry Narodnogo Khozyaistva na 1926-1927 god* (1926), p. 27; for the calculations of wages and productivity see pp. 488-489 below.

² *Torgovo-Promyshlennaya Gazeta*, July 19, 1926.

³ See pp. 336 above and 522 below.

⁴ *Protokol Zasedaniya Prezidiuma VSNKh SSSR, 1925-1926*, No. 12, art. 435.

⁵ *Torgovo-Promyshlennaya Gazeta*, November 28, 1926; *Ekonomicheskaya Zhizn'*, January 6, 1927.

⁶ See p. 684 below.

be reduced had implied that wholesale prices would not fall, the new decision to lower wholesale prices implied that industrial costs must after all be reduced. After a dispute in the presidium of Gosplan, STO resolved early in January 1927 that industrial costs could be reduced by more than the 1 per cent proposed by Vesenkha ; on January 25, after a second discussion, the presidium of Gosplan resolved that costs of industrial production must be cut by at least 5 per cent in 1926-1927, and that wholesale prices should be reduced correspondingly.¹ A resolution of the party central committee in February 1927 called for a reduction of retail prices by 10 per cent before June 1, 1927 ; it also endorsed the decision of the presidium of Gosplan by calling for an all-round reduction of not less than 5 per cent in industrial costs, which was in turn to make possible a substantial, though unspecified, reduction in wholesale industrial prices. It added that " a programme of measures covering a number of years must be prepared, with the aim of consistently cheapening the production of both central and local industry ".²

These pronouncements were the prelude to the launching in the spring of 1927 of a vigorous campaign for the " rationalization of production ". Even before the revolution, limited efforts had been made to standardize and specialize production in industries such as iron and steel, in which syndicates were influential. In non-syndicated industries such as textiles and building, standards were imposed by the military departments on output purchased from private factories ; and during the civil war some attempts were made to prepare lists of permitted ranges of production.³ A major effort began in 1924 and 1925, when an elaborate organization was developed, partly on the initiative of particular industries and partly by central decision, to standardize output. At the centre, a committee on standardization was established under STO, and its decisions, when approved by STO, were binding throughout the USSR ; the committee was an active member of

¹ *Ekonomicheskaya Zhizn'*, January 5, 1927 ; *Informatsionnyi Byulleten' Gosplana SSSR*, No. 1, 1927, pp. 1-2, 4.

² For this resolution see pp. 685-686 below.

³ *Predpriyatie*, No. 10, 1927, pp. 10-11 ; for the syndicates see pp. 373-378, 636-650 below.

the international standards organization.¹ In addition to this body, which was principally concerned with industry, though its terms of reference embraced the whole economy, a department of rationalization and standardization formed part of the Chief Economic Administration (GEU) of Vesenkha; and by 1926 standardization bureaux or commissions were established under the *glavki* of the major industries.² Very drastic simplifications were effected in the pattern of output of a number of important industries.³ The term "rationalization" in this sense had been in current use during the period of the "régime of economy". In May 1926 Dzerzhinsky stated that "the régime of economy must be carried out by rationalizing production";⁴ and the decree of June 11, 1926, referred to the need for "consistent work on rationalizing all branches of the economy and administration".⁵ In 1926 and the first months of 1927 many conferences discussed rationalization in its different applications.⁶

When therefore the party central committee in a decree of March 24, 1927, announced a new campaign for greater industrial efficiency through the "rationalization of production", the ground had been well prepared. The decree defined the term "rationalization" as "improvement in the technology and organization of production", and listed the major measures required:

At works and factories efforts should be made on a broad scale to increase the use of machinery in production, to specialize factories, to rationalize the utilization of fuel and power, to organize work in a continuous flow (conveyor system), and to mechanize and improve transport within the works. It is also necessary to speed up the introduction of measures which will

¹ The first national standard, or OST (forerunner of the later GOST), was approved in March 1926; it was claimed that from then onwards the standardization committee worked better in the USSR than in any other country (A. Serebrovsky, *Ratsionalizatsiya Proizvodstva i Novoe Promyshlennoe Stroitel'stvo SSSR* (1927), pp. 50-51). ² *Ibid.* pp. 44-45; for GEU see p. 354 below.

³ The number of permitted sizes of rolled metal was cut to 713 from the 4742 approved by Prodamet before 1914; even more drastic cuts were made in the number of grades of cotton cloth (*Predpriyatie*, No. 11, 1926, pp. 70-71; No. 10, 1927, pp. 12-13).

⁴ *Torgovo-Promyshlennaya Gazeta*, May 9, 1926.

⁵ See p. 335 above.

⁶ A Union conference of textile engineers and technicians and a Union congress on "rationalization in the textile industry" were held at this time (*Predpriyatie*, No. 10, 1927, p. 11); a four-day congress on rationalization was held in the Ukraine in October 1926 (*ibid.* No. 6, 1928, p. 24).

make possible a greater division of labour at factories, increase the availability of capital equipment to the workers, and organize the labour process more efficiently. Special attention must be given to mass and batch (seriinoe) production and to extending work on the standardization of production.¹

Both the term and its applications as listed in the decree were derived from the west. *Rationalisierung* in Germany and "scientific" or "rational" organization of labour in France continued and developed Taylor's "scientific management", which had attracted Lenin's attention in 1918.² The World Economic Conference in Geneva in May 1927 passed a resolution in favour of rationalization, including within the scope of the term reduction in the number of patterns, elimination of waste in materials and man-power, economies in transport, and reduction in the number of middlemen.³ In the west, the term often implied a fundamental change-over to mass conveyor or continuous flow production ;

¹ *Direktivy KPSS i Sovetskogo Pravitel'stva po Khozyaistvennym Voprosam*, i (1957), 666-672 ; for the provisions of the decree relating to labour discipline and productivity see p. 492 below. It was originally published in *Pravda*, March 25, 1927 ; the same issue of *Pravda* published, with an editorial reservation, an article by Trotsky linking cost reduction with a campaign for the improvement of quality.

² An account of the more advanced forms of organization developed in Germany on the American model appeared in *Predpriyatie*, No. 5, 1927, pp. 30-36. The decree of March 24, 1927, claimed that rationalization under capitalism rested on increased unemployment among the workers, and their exploitation and impoverishment, while socialist rationalization aimed at an increase in the numbers of the working class, a rise in their material and cultural standard of life, a strengthening of the link with the peasantry and an extension of "the socialist elements in our economy". In fact western advocates of the rationalization of the capitalist system also intended it to bring about the radical improvement of the standard of living of the consumer through improved costs and reduced prices ; and successful rationalization in the USSR, as in the west, was bound to result in increased unemployment in particular industries (see pp. 463-464 below). But the distinction between socialist and capitalist rationalization had an element of validity at a time when Soviet policies of industrial expansion were soon to take up the slack of unemployment, while capitalist governments did not possess the means or the ability to enforce economic growth or even to prevent large-scale economic crises. The fundamental difference between socialist rationalization and capitalist rationalization was frequently stressed in Soviet articles and speeches (*Pravda*, November 25, 1926 ; Bukharin at IKKI in November 1926 in *Puti Mirovoi Revolyutsii* (1927), i, 91, 383, 386 ; Rykov at the seventh trade union congress in December 1926 in *Sed'moi S'ezd Professional'nykh Soyuzov SSSR* (1927), pp. 15-16).

³ *Report and Proceedings of World Economic Conference* (Geneva, 1927), i, 48-49 ; for Osinsky's statement see *ibid.* ii, 145.

here Ford's motor-car assembly factories were the model. It was sometimes also used in this sense in the USSR: in a report to the central control commission in August 1928, Kuibyshev defined a rationalized enterprise as "one which organizes mass production, on a large scale, of standardized quality and sizes, and applies continuous flow production as the best organizational and technical method". But the prerequisite of rationalized industry thus defined was a very large market for each product; in many cases such thorough-going rationalization was impossible without large investments in new equipment. It is not therefore surprising that continuous flow had been introduced in at most 70 or 80 factories by the summer of 1928.¹

Major improvements in efficiency were also possible, however, without a switch to conveyor production; and it was to more limited measures of standardization and specialization that the main effort in the USSR was devoted. The rationalization campaign speeded up the work of all the existing bodies concerned with these improvements. In August 1928 Kuibyshev reported to the central control commission that some 300 national standards for industry had been adopted; if fully applied, these standards would already embrace 30 per cent of industrial production. Kuibyshev explained that standardization often facilitated an increase in specialization, citing the example of the cotton textile industry, where, by transferring orders from one factory to another, each trust was made responsible for specializing in a group of goods.² Centrally organized attempts to specialize and standardize production were supplemented by the individual attempts of many factories to simplify their own output. The *Serp i Molot* works reduced the types of agricultural machines produced from 120 before the war to 12 by 1926-1927, although its output had nearly trebled; the Skorokhod factory drastically reduced the number of grades and styles of its boots and shoes.³ The drive to specialize and standardize was accompanied in 1927 and 1928 by a variety of attempts to rationalize the scheduling of production, the flow of information and the administration of industry generally.

As the campaign developed, several weaknesses became apparent. The "rationalization bureaux" established in most large

¹ *Pravda*, August 29, 1928.

² *Ibid.*

³ *Predpriyatie*, No. 7, 1927, p. 81; No. 11, 1927, pp. 40 ff.

factories and in some *glavki* appear to have had little authority, and their activities were not systematically controlled and followed through.¹ At the beginning of 1928, it was being suggested that the campaign was "to a certain extent discredited"; the failure of schemes for the scientific organization of labour and of the League of Time, one speaker suggested, meant that "we are still only on the threshold of developing rationalization".² Later in the year another writer said of the rationalization bureaux that they "still call forth a smile from many people".³ When rationalization was effective, reduction in types of output restricted the choice of both the industrial and the personal consumer. The rationalization campaign was also often criticized for its schematic proposals for grandiose restructuring of industry, borrowed from western Europe or the United States without taking into account the specific conditions of Soviet industry.

The campaign for rationalization was closely linked with efforts to reduce industrial costs. In August 1927 the industrial newspaper announced a competition for the enterprise with the best achievements in cost reduction, and in rationalization as the main path to cost reduction, in the economic years 1925-1926 and 1926-1927. Prizes were to be awarded to enterprises partly as collective rewards in the form of extra grants for investment and welfare purposes, and of guaranteed supplies of materials, and partly as individual rewards in the form of free trips to the United States, western Europe and resorts in the USSR, for directors, engineers and technicians at the winning enterprises, and for correspondents of the newspaper.⁴ Kuibyshev was appointed president of the jury, and the competition was run by a committee under Serebrovsky, who declared dramatically at the outset that "*enterprises which are unable to reduce costs will have no right to exist*".⁵ During the next few months, the newspaper carried detailed reports of

¹ See *Predpriyatie*, No. 9, 1927, pp. 5-8; No. 1, 1928, pp. 33-36.

² *O Pyatiletnem Plane Razvitiya Narodnogo Khozyaistva SSSR : Diskussiya v Kommunisticheskoi Akademii* (1928), p. 16; for the "scientific organization of labour" (NOT) and the League of Time, see *Socialism in One Country, 1924-1926*, Vol. 1, pp. 383-384.

³ *Predpriyatie*, No. 12, 1928, p. 84.

⁴ *Torgovo-Promyshlennaya Gazeta*, August 27, September 15, 1927; a similar competition was held among the enterprises of Donugol in January 1927 (*ibid.* September 7, 1927).

⁵ *Ibid.* August 27, 1927.

the work of particular enterprises ; the competition was eventually won by a calico-printing works.¹ In industry as a whole, the rationalization campaign launched in March 1927 coincided with the first important successes in cost reduction, though these were probably the cumulative result of the efforts of the previous two years. While costs had risen in the six months October 1926–March 1927, they fell substantially in the six months April–September 1927 ; the reduction of 1·8 per cent for the whole year, though substantially lower than the target of 5 per cent proposed in the resolution of the party central committee in February 1927,² indicated a substantial advance on the previous year.³ Expenditure on overheads fell, fuel and materials were used more efficiently, and wages rose at about the same rate as productivity.⁴

The fall in costs which began in April–September 1927 continued during most of the year 1927–1928. According to the final official figures in the annual report of Vesenkha, costs fell during 1927–1928 by 6·2 per cent ; the report described this achievement as “ completely satisfactory ”.⁵ For the first time since the winter of 1924–1925 productivity had risen faster than wages.⁶ But, in spite of the strenuous efforts which had been made to increase norms of work,⁷ the widening of the gap between productivity and wages accounted for only about 30 per cent of the reduction in costs. The most important single factor in the reduction of costs was the saving in materials and fuel consumed per unit of output : fuel savings were achieved in almost every industry.⁸ Increased

¹ *Puti Industrializatsii*, No. 9, 1928, p. 73.

² See p. 340 above.

³ See Table No. 20, p. 954 below.

⁴ *Torgovo-Promyshlennaya Gazeta*, June 26, 1928 ; *Promyshlennost' SSSR v 1926/27 godu* (1928), pp. 105–106.

⁵ *Promyshlennost' SSSR v 1927/28 godu* (1930), pp. 109–115 ; for an earlier alternative figure of 5·1 per cent see Table No. 20, p. 954 below.

⁶ See p. 507 below.

⁷ For this campaign see pp. 505–507 below.

⁸ *Promyshlennost' SSSR v 1927/28 godu* (1930), p. 53. The following table (based on figures *ibid.* pp. 113–114) shows the sources of the cost reduction in 1927–1928 :

<i>Konjunktur</i> Factors [factors extraneous to industry such as changes in prices of raw materials, tax-rates, etc.]	– 0·7%
Consumption of Materials and Fuel per Unit of Output	– 2·2%
Wages	– 1·8%
Depreciation, Overheads, etc.	– 1·5%
Total	– 6·2%

output from existing capacity also made possible a considerable reduction in factory overheads or fixed costs per unit of output. In some industries, including iron and steel, engineering and chemicals, this was the most important factor in costs reduction ; in the Ukrainian iron and steel trust Yugostal it accounted for half the reduction in costs.¹ In all these improvements the rationalization campaign had undoubtedly played a part.

In the summer and autumn of 1928, plans for investment in industry relentlessly expanded, and Vesenkha was put under great pressure to find resources to finance them from within industry itself. An additional reduction of industrial costs by one per cent would release some 100 million rubles. When the presidium of Vesenkha held a preliminary discussion on the control figures for 1928-1929 in June 1928, the financial department of Vesenkha argued that costs could not be expected to fall by more than 3 per cent in 1928-1929 as against the 5 per cent achieved in the previous year, and that increases in investment must be kept within the limit set by this figure ; Sokolovsky, on the other hand, stood out for a 5 per cent reduction.² In September 1928 the report on the control figures presented by I. V. Kosior to the presidium of Vesenkha proposed a still higher figure, in spite of some protests from industry, of 5.9 per cent.³ In the meantime, Gosplan had concluded that the large investment programme proposed by Vesenkha could be financed only if costs were reduced by 10 — or, at the very least, 8 — per cent.

The dispute came to a head when Gosplan presented its proposals at the fourth Gosplan congress in October 1928.⁴ The Vesenkha spokesmen were both angered and alarmed. Zolotarev pointed out that prices and wages were rising, and attacked Gosplan for failing to show how further savings in costs could be achieved.⁵ Kosior declared that the presidium of Gosplan was trying to make the size of investment depend on “ an extraordinarily large and quite *unachievable* reduction in costs ” ; costs could be cut by the required amount only if production were

¹ *Promyshlennost' SSSR v 1927/28 godu* (1930), p. 121.

² *Torgovo-Promyshlennaya Gazeta*, June 10, 1928.

³ *Ibid.* September 14, 1928 ; for Kosior see p. 315 above.

⁴ For this congress see pp. 321-322 above.

⁵ *Torgovo-Promyshlennaya Gazeta*, October 13, 1928.

reduced by 25 per cent.¹ On behalf of Gosplan, Kviring insisted that there were "no other reserves" than a further reduction in costs; and other spokesmen argued that this extra reduction was objectively possible. Kalinnikov, a non-party expert who was head of the industrial section of Gosplan, asked rhetorically: "What has become of all the benefits of mechanization, rationalization, etc.?"² and Grinko pointed out that the Vesenkha estimate of a 4 per cent cost reduction in 1927-1928 had proved too conservative.³ The brief published accounts of the resolution of the congress reported that the proposals of Gosplan had been endorsed in general, but did not mention a specific figure for costs reduction.⁴ A few weeks later, a special commission approved a compromise figure of 7 per cent;⁵ and this figure was eventually incorporated in the resolution of the November session of the party central committee.⁶ The resolution declared that "the reduction in costs achieved by industry so far does not correspond to the tremendous capital investments which have been made in it", and that "the régime of economy is still not being introduced in our enterprises with sufficient firmness, and is not giving the results which it can and must give".⁷ This was an endorsement of the Gosplan view. The volume on the control figures for 1928-1929 published by Gosplan after the session of the party central committee looked forward to 1928-1929 as the first year in which "the whole complex of organizational and technical measures carried out in the previous two years is beginning to affect costs". Gosplan attached particular importance to the reduction of overheads and of the consumption of fuel and materials, and set targets for them; overheads were expected to fall, as a result of increased use of capacity, by as much as 20 per cent.⁸ In Vesenkha, the increased target was

¹ *Ibid.* October 14, 1928.

² *Ibid.* October 16, 1928; for Grinko see pp. 278-279, 321 above.

³ *Ibid.* October 16, 1928; *Ekonomicheskaya Zhizn'*, October 16, 1928.

⁴ *Torgovo-Promyshlennaya Gazeta*, November 13, 1928; an article by Yakovlev of Rabkrin published in *Pravda*, October 28, 1928, supported a figure of "not less than 7 per cent".

⁵ *KPSS v Rezolyutsiyakh* (1954), ii, 536; for this resolution see p. 325 above. According to Rykov, "a number of comrades" in the Politburo and the central committee proposed that the reduction should be greater than 7 per cent (*Torgovo-Promyshlennaya Gazeta*, December 4, 1928).

⁶ *KPSS v Rezolyutsiyakh* (1954), ii, 534-535.

⁷ *Kontrol'nye Tsifry Narodnogo Khozyaistva SSSR na 1928-1929 god* (1929), pp. 206-207.

accepted even before the November session of the party central committee. A commission of its presidium undertook the difficult task of allocating the required extra reduction in costs between different industries and republics: the figures finally approved varied between 5.5 per cent for the salt industry and 9.2 per cent for electrical engineering.¹ By the end of November, Kuibyshev was referring to the planned 7 per cent reduction in costs as a minimum target. Whereas the main emphasis in Gosplan was on savings in materials and overheads, the main emphasis in Vesenkha was on the problem of productivity, and of the gap between wages and productivity; at the fourth plenum of Vesenkha, Kuibyshev linked the campaign for increased productivity and reduced costs with a strong attack on the complacency of trade union leaders.²

During the first few months of the economic year 1928-1929, the initial scepticism in Vesenkha seemed to have proved justified. Costs were reported to have fallen by only 2 per cent in the October-December quarter of 1928; only additional help from the state and the failure to reduce prices as planned enabled industry to receive its full quota of financial resources. One speaker at the presidium of Gosplan described this failure in the plan as "a serious threat".³ By the end of the first half of the year 1928-1929, the situation was no better: owing to supply difficulties, increases in the prices of agricultural raw materials, and the failure of productivity to increase as planned, costs were reported to have fallen by only 1.9 per cent.⁴ In the spring and summer of 1929, according to the official figures, the position considerably improved; over the whole of 1928-1929 costs fell by 4.5 per cent.⁵ Part of the fall in costs was achieved by lowering the quality of production, so that items of inferior quality were sold by industry at the same price, and part by a further running-down of stocks.⁶

¹ *Kontrol'nye Tsifry Narodnogo Khozyaistva SSSR na 1928-1929 god* (1929), p. 208; *Torgovo-Promyshlennaya Gazeta*, November 13, 1928; *Protokol Zasedaniya Prezidiuma VSNKh SSSR, 1928-1929*, No. 1, art. 77, Prilozhenie (November 9-12, 1928).

² See pp. 509-510 below.

³ *Torgovo-Promyshlennaya Gazeta*, March 8, 1929.

⁴ *Protokol Zasedaniya Prezidiuma VSNKh SSSR, 1928-1929*, No. 19, Prilozhenie.

⁵ See Table No. 20, p. 954 below.

⁶ *Ekonomicheskoe Obozrenie*, No. 11, 1929, p. 106; No. 12, 1929, p. 17. According to the latter source, quality declined "in a whole number of industries"; a Rabkrin investigation had shown that "industrial enterprises

But the gap between productivity and wages, substantially larger than in 1927-1928, was also an important factor in reducing costs.¹

Side by side with these campaigns to reduce the costs of industrial production, strenuous efforts were made to reduce the cost of capital construction. According to official calculations, costs of construction exceeded the pre-war level by a substantially larger margin than costs of production. In 1926-1927, the costs of construction, like the costs of production, fell only slightly. In August 1927, the party central committee demanded that construction costs should fall by a minimum of 15 per cent in the single year 1927-1928 as a result of rationalization and of the reduction of the cost of building materials and overheads; this was described as "a priority task of immense importance to the economy as a whole".² In April 1928, a spokesman for the building workers' trade union at the session of the TsIK of the USSR claimed that "the building industry is the most backward and disorganized industry".³ The target was not reached; in October 1928 the industrial newspaper claimed that construction costs had been reduced by 5 per cent,⁴ but even this figure was doubtful. The target of a 15 per cent reduction was repeated by the session of the party central committee of November 1928, and was now to be achieved in the course of 1928-1929,⁵ and the decree of Sovnarkom of April 23, 1929, approving the five-year plan proposed that construction costs should fall by 50 per cent in the course of the five years.⁶ In 1928-1929 the target was again not reached.⁷ The building industry was scattered among a variety of organizations; its labour was highly seasonal and wages were particularly subject to the laws of supply and demand; most building materials were produced by local or even artisan industry; by 1929 orderly national arrangements for the control of the building industry were only just taking shape. In the first stages of

arbitrarily violate agreed standards and use the difficult position on the market to sell output which is intentionally poor in quality".

¹ See p. 519 below.

² *KPSS v Rezolyutsiyakh* (1954), ii, 375.

³ *3 Sessiya Tsentral'nogo Ispolnitel'nogo Komiteta Soyuza SSR 4 Sozyva* (1928), pp. 167-172.

⁴ *Torgovo-Promyshlennaya Gazeta*, October 14, 1928.

⁵ *KPSS v Rezolyutsiyakh* (1954), ii, 535; *Sobranie Zakonov*, 1929, No. 4, art. 34 (dated December 21, 1928).

⁶ *Sobranie Zakonov*, 1929, No. 29, art. 268.

⁷ *Ekonomicheskoe Obozrenie*, No. 10, 1929, p. 3.

the industrialization programme, building costs and efficiency proved particularly difficult to control.

The reductions in the cost of production and construction in industry in 1927-1928 and 1928-1929, taken together, resulted in a saving of some 300 million rubles in the former and 900 million rubles in the latter year. This was a formidable achievement, and contributed towards the impressive increase of investment in industry in these years. But no feasible further reduction in costs could go very far towards financing the great increases in investment that lay ahead. By the summer of 1929, the requirements of the industrialization programme had far outstripped the remaining potentialities of the régime of economy.

CHAPTER 14

ORGANIZATION OF STATE INDUSTRY

(a) *Vesenkha and the Glavki*

V ESENKHA, the Supreme Council of the National Economy, had from the first been responsible only for the management of industry, and — at least formally — only for industry owned by the state. In status it was a People's Commissariat, and its president was a People's Commissar with the same position in the administrative hierarchy as the other People's Commissars concerned with economic affairs. All the economic commissariats were represented in the Council of Labour and Defence (STO), which was in turn subordinate to the Council of People's Commissars or Sovnarkom. In practice, Vesenkha was one of the most influential commissariats. Even in the early nineteen-twenties, it was less influential perhaps only than Narkomfin; from 1924 onwards, successive presidents of Vesenkha, unlike the People's Commissar for Finance, were members of the Politburo, Dzerzhinsky as a candidate and Kuibyshev as a full member, so that a direct personal link was established between Vesenkha and the supreme working organ of the party. In the later nineteen-twenties, after the turn towards rapid industrialization, the prestige of Vesenkha markedly increased, and by 1929 it had the most prominent voice in economic affairs.

The increasing speed of industrialization and the rise of central planning were accompanied by major changes in the organization of industry. Concentration of authority at the centre provoked a widespread demand for decentralization, which was frequently made without much clear or consistent sense of what was intended. Sometimes the demand for decentralization meant regional devolution and involved a clash between the claims of organs of the USSR and of the republics or local authorities.¹ Sometimes it

¹ For this aspect of decentralization see pp. 365-369 below.

was directed against an over-loaded bureaucratic machine which failed to delegate authority to subordinates. Sometimes it was a protest against the ever keener penetration of physical planning into the market economy. Increasing centralization in industrial organization was not at first regarded as an inevitable accompaniment of industrialization. Dzerzhinsky, in the last months of his life, was preoccupied with the increase in centralization and bureaucracy which he found in every aspect of industrial administration, and argued that the centralized system, suitable in the first years after the revolution, was now "a most harmful survival", and that "detailed tutelage" must be replaced by a "system of full confidence". But he was unable to suggest how the central allocation of scarce resources could be combined with decentralization of authority.¹ His successor Kuibyshev, within a few days of his appointment as president of Vesenkha, spoke, in terms hardly distinguishable from those used by Dzerzhinsky, of the need to decentralize and to transfer rights hitherto vested in Vesenkha to "lower organs, syndicates, trusts, factory managements, and administrative organs of provinces and regions".² Later, he suggested that the centralized system had been appropriate when industry needed basic information from production units, and when elementary relations between industry and the market had yet to be established, but that in the period of new construction things could no longer be controlled from the centre.³ Such support for the devolution of authority did not, however, imply any movement away from principles of planning or towards increased influence of market forces. The need to enforce both the principle of centralized planning of essentials and the principle of decentralization of unessentials was frequently stressed in official statements. In April 1926, the party central committee insisted on the importance of the "planning principle" in the period of new capital construction, but added the rider that "higher planning bodies must be freed from detailed supervision of the technical calculations of lower planning bodies".⁴

¹ For examples of Dzerzhinsky's views at this time see *Soviet Studies*, xi (1960), 388-390.

² Speech of August 27, 1926, quoted from unpublished archives in *Voprosy Istorii*, No. 6, 1966, p. 12.

³ *Torgovo-Promyshlennaya Gazeta*, December 23, 1926.

⁴ *KPSS v Rezolyutsiyakh* (1954), ii, 260.

In February 1927, the first plenum of Vesenkha resolved that "the main principle in re-examining the system of administration must be centralization of planned leadership and control, and *decentralization of operational functions*"; each level of industrial administration must be responsible for "only the minimum elements really necessary and sufficient for carrying out their obligations". But again the plenum was conservative in its practical prescriptions: fundamental change must take place within the framework of the existing system, and must utilize all the main features of the existing structure.¹ In April 1929, the sixteenth party conference reiterated that "a consistent remoulding of the apparatus [of administration] must follow *the path of decentralization* of operational functions while at the same time planning and leadership in the basic questions are centralized".²

The problem of over-centralization was debated at length at all the meetings at which these decisions were taken; and proposals for reform were made which affected every level of the industrial hierarchy. But centralized planning and control had been encroaching on the market ever since the scissors crisis of 1923, and had been accompanied by an increase in the authority of central administration over industry. The launching of the industrialization programme — which may be dated effectively from the summer of 1925 — greatly strengthened the impetus to centralization. It was widely accepted that only centralized planning would enable expenditure to be concentrated on the major industrial projects through which western technology would be introduced into the USSR. At the fifteenth party conference in October 1926, Rukhimovich replied forcefully to an attack on over-centralization by Chubar:

Chubar says that plans must be decentralized somehow. I radically disagree. I consider that plans must be executed by regions, republics, and localities. But the basic thing — drawing them up and bringing them into line with foreign technology — must be in the centre.³

Rykov tried to compromise between Chubar and Rukhimovich by

¹ *Puti Industrializatsii*, No. 1, 1928, p. 47; for the plenum of Vesenkha see p. 355 below.

² *KPSS v Rezolyutsiyakh* (1954), ii, 597.

³ *XV Konferentsiya Vsesoyuznoi Kommunisticheskoi Partii (B)* (1927), p. 195; for Rukhimovich and Chubar see pp. 300, 304 above.

repeating the usual *cliché*: "In my opinion we need a centralized plan and discipline in executing this plan, but together with this the execution of the plan must be decentralized".¹ But nobody could explain how to centralize planning without centralizing administrative control. The process was relentless: political leaders and the principal Vesenkha officials resisted it in words while little by little, and with every symptom of reluctance and bewilderment, they adopted measures which increased their own authority.² Every aspect of industrial organization was affected.

The core of the authority over industry exercised by the Vesenkha of the USSR in the early years of NEP rested in the ten "directorates" (*direktoraty*) of the Central Administration of State Industry (*TsUGProm*). These directorates were in charge of Union industry, which was subordinate to the Vesenkha of the USSR: this important category included the principal producer goods enterprises and some sections of the consumer goods industries. Each directorate was responsible for an industry or group of industries. They thus resembled the *glavki* of the period of war communism and were in fact the skeleton of the old system; three important industries, electric power, metals and engineering, and war industry, were controlled not by directorates but by *glavki* which retained their old names *Glavelektro*, *Glavmetall*, and *Voenprom*, and came directly under the presidium of Vesenkha. In addition to the authorities responsible for direct control of Union industry, a separate section of Vesenkha, the Chief Economic Administration (*GEU*), was responsible through various subcommittees for overlooking and planning the whole of Soviet industry, including industry subordinate to the Vesenkhas of the republics and to provincial *Sovnarkhozy*.³ Its most important department was *Promplan*, the industrial planning commission.⁴ All these administrative agencies were located together in Moscow

¹ *XV Konferentsiya Vsesoyuznoi Kommunisticheskoi Partii (B)* (1927), p. 263.

² "We all want decentralization", a delegate from the Urals commented at the trade union congress in December 1926, "but in practice some kind of magnet, against the wishes of comrade Kuibyshev or ourselves, drags everything to the centre" (*Sed'moi S'ezd Professional'nykh Soyuzov SSSR* (1927), pp. 534-535). For the increased centralization of operational planning in industry see pp. 823-834 below.

³ These are dealt with on pp. 360-362 below.

⁴ For this department see also p. 844 below.

in the Business House (Delovoi Dvor) which had been built before the revolution by Moscow merchants as a convenient centre.

By the middle nineteen-twenties, the headquarters staff of the Vesenkha of the USSR amounted to some 3000 persons ; much overlapping and confusion seems to have occurred, particularly between GEU on the one hand and TsUGProm and the directorates on the other. In April 1926 the principal features of an administrative reform were agreed within Vesenkha.¹ Towards the end of August 1926, proposals submitted by Kuibyshev were endorsed by Sovnarkom ;² the necessary detailed legislation was approved by Vesenkha early in September.³ The presidium of Vesenkha, which acted as a directing organ, was reduced in size from 22 to 11 members ;⁴ and a plenum of 85 members was established, including the principal Vesenkha officials, the heads of the *glavki* and the major trusts and syndicates, some factory directors, and representatives from the regions and the trade unions ; 71 of its members belonged to the party.⁵ This plenum met five times in the next three years, and was an important forum for the exchange and mobilization of opinion. TsUGProm disappeared, and its directorates were fused with the corresponding committees and departments of GEU. The eight new bodies which emerged from the fusion were named *glavki* ; they were all placed directly under the presidium, and were responsible for the control of republican and local industry as well as the direct management of Union industry.⁶ Promplan, which had been a department of GEU, was transformed into an independent

¹ *Torgovo-Promyshlennaya Gazeta*, April 17, 1926.

² *Ibid.* August 28, 1926. For the changes made in the original draft proposals by Kuibyshev, see *ibid.* August 26, 1926 ; for the meeting of the presidium of Vesenkha which endorsed the proposals, held on August 27, see *ibid.* August 29, 1926, and *Protokol Zasedaniya Prezidiuma VSNKh SSSR, 1925-1926*, No. 11, arts. 362, 363.

³ The main order, dated September 4, appeared in *Torgovo-Promyshlennaya Gazeta*, September 5, 1926 ; for further decisions of Vesenkha and Sovnarkom see *ibid.* September 15, 17, 1926. The results of the reform were summarized by Kuibyshev in a report to TsIK on December 17, 1926 (*Sovetskoe Stroitel'stvo*, No. 5, December 1926, pp. 128-130).

⁴ *Ibid.* No. 5, December 1926, p. 129 ; the 11 members included the president of Vesenkha and two deputy presidents.

⁵ The members were listed by name and office in a Vesenkha order of September 14 (*Torgovo-Promyshlennaya Gazeta*, September 15, 1926).

⁶ In a report to Sovnarkom, Kuibyshev named ten *glavki* : Metal ; Power ; Fuel ; Mining, Geology and Geodasy ; Timber and Paper ; Chemicals ;

administration (upravlenie) directly responsible to the presidium of Vesenkha.¹ The existence of a separate planning organization strengthened Vesenkha in its struggle for the allocation of greater resources to industry, as well as in its own internal planning. The formation of the *glavki* and the elevation of Promplan stripped GEU of its most important functions. For the time being it remained, with reduced authority; under it were grouped the departments (otdely) responsible for overlooking such matters as standardization and rationalization, labour economics and technical education. A few months later, in May 1927, it was abolished, and its remaining departments were absorbed by Promplan, which was renamed the "Planning and Economic Administration" (PEU). Planning, which had developed as one of the functions of GEU, had now swallowed it up.²

No standard pattern was laid down for the internal structure of the *glavki*. The enterprises of each *glavk* were grouped under departments or sections subordinate to departments, each responsible for administering a branch of industry. In Glavtekstil, for example, a production department contained three sections responsible for the cotton, woollen and "linen and other" industries; within each section senior officials, usually engineers by training, were each responsible for a particular trust.³ Glavmetall had six separate departments, each of which was responsible for the production and general management of an industry within the group; ⁴ in 1928, three separate *glavki* — for iron and steel, non-ferrous metals, and engineering — were formed on the basis of these departments. These general or production departments were supplemented in each *glavk* by a series of departments concerned with particular aspects of the work of the *glavk*, such as finance or labour, so that the structure of each

Textiles; Agriculture (Food); War Industry; and Electrical Engineering, as well as committees for the leather and printing industries (*ibid.* August 28, 1926). In the event, Glavgortop embraced both Fuel, and Mining, Geology and Geodesy; and a separate *glavk* for electrical engineering was not formed.

¹ This development had already been envisaged in a Vesenkha order of January 20, 1926 (*Protokol Zasedaniya Prezidiuma VSNKh SSSR, 1925-1926*, No. 4, art. 108).

² *Torgovo-Promyshlennaya Gazeta*, December 24-25, 1927; PEU is referred to throughout the present volume as "the planning department of Vesenkha".

³ *Puti Industrializatsii*, No. 1, 1928, p. 48.

⁴ On the structure of Glavmetall see *Metall*, No. 11-12, 1927, p. 69.

glavk resembled that of Vesenkha itself; the most important of these was the planning department, which coordinated all plans for the *glavk*, and was responsible to the planning department of Vesenkha as well as to the *glavk* itself. In most *glavki* there was also a construction department, which shared general responsibility for capital construction in the *glavk* with the scientific and technical council of the industry. Thus the key departments within each *glavk* were those concerned with production and general administration; planning; and construction. The scientific and technical councils and the major research institutes were not at first attached to the *glavki*, but came under a separate Scientific and Technical Administration (NTU) directly under the presidium of Vesenkha. In form this arrangement merely streamlined the structure of the former directorates. In reply to the alarm which was expressed at the restoration of the notorious name of *glavk* to its former prominence, Dzerzhinsky had insisted that the new *glavki* would not be like the *glavki* of war communism; they would be concerned not with direct administration, but with supervision, planning and coordination (*soglasovanie*).¹ But, within a few months of the reform, Mezhlauk, the president of Glavmetall, frankly admitted that the reorganization "has acquired an undesirable touch of the resurrection of glavkist tendencies".²

The most obvious respect in which the *glavki* quickly acquired greater powers than their predecessors was in the control of capital construction. Measures to enforce control were adopted as early as the summer of 1926. They established the principle that the Vesenkha of the USSR should approve individually all capital construction projects in industry for which the estimated cost exceeded a fixed ceiling (limit); these regulations applied to capital works carried out by republican and local industry as well as by Union industry.³ A great deal of uncertainty at first prevailed about the procedures for approving such major "above-limit" projects. It was eventually agreed that the presidium of Vesenkha should approve the general specifications of each job; initial instructions on the preparation of the project were to be

¹ *Torgovo-Promyshlennaya Gazeta*, April 17, 1926.

² *Ibid.* November 17, 1926.

³ *Sobranie Zakonov*, 1926, No. 47, art. 341 (dated May 24, 1926); No. 50, arts. 360, 361 (dated July 24, 1926); see also *Ekonomicheskaya Zhizn'*, January 4, 1927.

issued by the *glavk* of the industry concerned, which also approved the sketch plans and the final technical project.¹ In this way detailed work on plans for the construction of new factories was concentrated in the *glavki*. In the most important industries, national capital projects institutes were established; these institutes, which were attached to the appropriate *glavk*, took over the preparation of capital projects from the trusts.² The most important was the State Institute for Projects of Metal Works (Giprometz), which was established in Leningrad in February 1926 on the initiative of Glavmetall. Giprometz was responsible for designing all new iron and steel and most new engineering works, though the trusts continued to handle planning and design of extensions to existing plant. Its scope and staff expanded rapidly from some 600 qualified persons early in 1927 to over 2000 in the autumn of 1929; its staff was thus much larger than that of Gosplan and half as large as the staff of the Vesenkha of the USSR. The institute worked closely with American and German companies; it had a large library of foreign publications; and members of its staff paid many study-visits abroad. By 1929 it employed some 400 foreign engineers. Its functions were conceived as being much broader than the purely technical side of planning new factories; thus an economic department was concerned with the comparative study of the organization and growth of the industry, including such questions as location, supply and market conditions, and investment efficiency. After the institute had been working for three years, its journal commented:

When the future historian begins to compile the history of our post-revolutionary industry, he will be compelled to deal with Giprometz as a stage most clearly marking the transition of industry from old models to new forms of construction.³

In 1928, the position of the *glavki* in the planning of capital

¹ The main decrees are listed in R. W. Davies, *The Development of the Soviet Budgetary System* (1958), p. 207, note 2; see also A. Venediktov, *Organizatsiya Gosudarstvennoi Promyshlennosti v SSSR*, ii (1961), 376-389.

² For trusts see pp. 369-372 below.

³ For accounts of its work, see *Byulleten' Gipromeza*, No. 1-2, 1929, pp. 74-77, No. 7-8, 1929, pp. 85-90; *Metall*, No. 9, 1929, pp. 91-94; *Pravda*, March 15, 1927; A. Venediktov, *Organizatsiya Gosudarstvennoi Promyshlennosti v SSSR*, ii (1961), 370. For Giproshakht, a similar organization for the coal industry, see *Sobranie Zakonov*, 1928, ii, No. 63, art. 255.

construction was further strengthened by the transfer to them of the scientific and technical councils of their respective industries.¹

Although the *glavki* had thus acquired substantial powers over capital construction, their authority was limited from several directions. While national building organizations subordinate to the *glavki* were established in several industries,² most actual building was still managed by the trusts, the republics and the local authorities ; and the building materials industry, consisting mainly of a very large number of small units, was not subject to much central control. Many decisions about capital construction therefore tended in practice to be taken out of the hands of the *glavki* and of the central staff of Vesenkha generally, particularly as the absence of systematic reports and returns about building made it difficult for the central authorities to follow progress on the sites.³ In the construction of extensions to existing factories, the primary responsibility in any case rested with the trusts. While much of the less important work could thus escape control by the *glavki*, major new projects tended to be taken over from the *glavki* by higher authorities.⁴

In production, distribution and finance the powers possessed by the *glavki* were on paper far-reaching. The *glavk* was responsible for coordinating the production and financial plans of its constituent trusts and their claims for materials, which it presented to Vesenkha ; it transmitted the approved plans to the trust and was responsible to Vesenkha for their execution ; it decided, subject to the approval of Vesenkha and Narkomfin where major sums were concerned, on the distribution of financial allocations between its trusts. In practice these powers were less effective. At the beginning of 1928, the trusts were reported to " feel the influence of the *glavki* only in questions of finance and credit, or

¹ Vesenkha order of August 18, 1928, reported in *Torgovo-Promyshlennaya Gazeta*, August 24, 1928 ; the decree provided that a " permanent working nucleus " should be established in each council.

² For examples see *Sobranie Zakonov*, 1926, ii, No. 13, art. 91 ; *Torgovo-Promyshlennaya Gazeta*, October 5, November 6, 1926, September 7, 1928.

³ *Predpriyatie*, No. 9. 1928, pp. 9-11 ; for control of building by the trusts see p. 371 below.

⁴ Important decisions about major schemes such as Dnieprostroï (see p. 898 below) were made by Vesenkha, STO and even the Politburo, rather than by the *glavk* to which they were attached.

when it is necessary to get their approval for a change in the plan".¹ In the consumer goods industries, the influence of the market was at first very strong. Vesenkha had not tried to exercise much control over the production of these industries before 1926; moreover, their trusts normally made a profit, so that they did not depend much on the directorates or *glavki* for financial support, even for capital construction. Thus Glavtekstil, for example, inherited a weak apparatus from the former textile directorate, and never attained a commanding position in the industry.² In the producer goods industries the powers even of the most important *glavki* were limited in practice, both by Vesenkha, STO and other higher organs, and by authority exercised at lower levels in the economic administration. This latter limitation coincided with, and partly emanated from, the principle of "decentralization of operational management" which the Soviet authorities sought to enforce or maintain. Throughout the NEP period, this principle was applied in two main ways. First, an important part of state industry was placed under the direct management of the republican and local authorities and not of the Vesenkha of the USSR.³ Secondly, nearly the whole of industry, whether under local or central control, was grouped into semi-autonomous and self-financing trusts. Both these forms of decentralization were designed to replace the "glavkocratic centralism" of war communism. Between 1926 and 1929 the rôle of the *glavki* as agencies of centralization remained ambiguous and incomplete. More powerful centralizing tendencies, however, rapidly undermined the position both of the republican and local authorities and of the trusts with the rise of the syndicates.

(b) *Republican and Local Industry*

After the formation of the USSR in 1923, state industry was divided into three main categories, "Union", "republican" and "local". "Union" industry was administered by the Vesenkha of the USSR through its directorates and *glavki*. "Republican"

¹ *Puti Industrializatsii*, No. 1, 1928, p. 50.

² For the abolition of Glavtekstil see pp. 375-376 below.

³ Part of industry also remained in, or was transferred to, private or co-operative ownership or management; non-state industry is discussed on pp. 385-400 below.

industry was administered by the Vesenkhas of the RSFSR, the Ukraine and other republics, which had been established as "unified" republican People's Commissariats in 1923.¹ "Local" industry was administered by the Soviet of the province (guberniya), county (uezd) or rural district (volost') or, in those areas where regionalization had replaced these units inherited from the Tsarist administration, by the Soviets of the larger region (oblast' or krai), department (okrug) or district (raion).² Throughout this complex hierarchy each governmental authority was responsible for directly administering its own industry and for controlling and supervising the industry subordinate to the levels below it. At the Union level, the Vesenkha of the USSR, besides directly administering Union industry, was also responsible for "guiding" and "controlling" republican and local industry. At the republican level the Vesenkha of the republic directly administered its republican industry, and guided and supervised local industry through a special department. At the provincial level, in 13 provinces and 5 autonomous republics where industry was well developed, a council of national economy (Sovnarkhoz) administered that part of local industry which was directly subordinate to the province, and guided and supervised the industry of the county and the rural district ;³ the provincial Sovnarkhoz mirrored in miniature the Vesenkha of its republic, and it stood in a relation of "dual subordination" to that Vesenkha and to the Soviet executive committee.⁴ Departments (otdely) of local economy were also established under the executive committees of the departments (okruga), where these replaced the counties as a result of regionalization ; the departments of local economy were in

¹ For the various types of People's Commissariat, see *The Bolshevik Revolution, 1917-1923*, Vol. 1, pp. 403-405 and *Socialism in One Country, 1924-1926*, Vol. 2, pp. 247-249.

² For these divisions, and for an account of regionalization up to 1926, see *ibid.* Vol. 2, pp. 273-303. The further development of regionalization will be discussed in a subsequent volume.

³ The council of national economy was known as a gubsovnarkhoz in the case of provinces and a "central" Sovnarkhoz in the case of autonomous republics ; for the earlier history of the gubsovnarkhozy, see *The Bolshevik Revolution, 1917-1923*, Vol. 2, pp. 76-77, 180-182. Sovnarkhozy were also set up in the newly founded "regions" (see p. 363 below).

⁴ For a careful account of the republican and local organization of industry, see A. Venediktov, *Organizatsiya Gosudarstvennoi Promyshlennosti v SSSR*, ii (1961), 50-55, 253-256, 258-259.

respect of their industrial enterprises also subordinate to the Sovnarkhoz of their region.¹ The local industry of the county (uezd) and the rural district (volost'), and of the new lower unit of government, the district (raion), was known as "lower (nizovaya) industry" or "state industry of lower rank", and was administered either directly by one of the members, or by a small department, of the Soviet executive committee, responsible for both local utilities and local industry. According to the statute on local Soviets, "lower industry" could not be put on *khozraschet*; in practice, various forms of control including *khozraschet* appear to have been used.²

Ever since its formation in 1923, the Vesenkha of the USSR — and in particular its financial and planning departments — had attempted to use the system of dual subordination to maintain quite detailed control over republican industry, and the republican Vesenkhas had similarly insisted on approving the financial, production and construction plans of local industry in some detail.³ The republican and local authorities attempted in their turn to establish or re-establish their rights over the Union industry situated on their territories. Before the formation of the USSR, the Vesenkhas of the RSFSR and of the Ukrainian SSR had been responsible for the control of industry in their respective territories; in the other republics industrial development was less extensive, even rudimentary, and Vesenkhas, where they were established, were of little account. The Vesenkha of the Ukrainian SSR fought zealously to maintain its independence, claiming the right to supervise Union as well as republican industries in the Ukraine, and to advise the Vesenkha and Sovnarkom of the USSR on future industrial development. These efforts were supported by the principal Ukrainian government and party leaders. With or without formal authority, the Vesenkha of the Ukrainian SSR usually included claims and estimates for Union industry situated in the republic in its submissions to the Vesenkha of the USSR and in its draft plans; the Ukrainian Vesenkha undoubtedly exercised a strong influence over the major decisions of the central authori-

¹ *Promyshlennost' SSSR v 1927/28 godu* (1930), p. 176.

² *Ibid.* pp. 172, 177; *Torgovo-Promyshlennaya Gazeta*, November 10, 1926.

³ See, for example, Chubar's comments in *XV Konferentsiya Vsesoyuznoi Kommunisticheskoi Partii (Bol'shevikov)* (1927), pp. 146-147.

ties.¹ But it never succeeded in establishing the principle that it should act as an intermediary between the Vesenkha of the USSR and Union trusts in the Ukraine, or in obtaining powers over the everyday running of Union industry. In the spring of 1926, as a result of a visit by Dzerzhinsky to Kharkov, the presidium of the Vesenkha of the USSR removed the president of Yugostal and the whole board of Yuzhmashtrest, both Union trusts operating in the Ukraine.² The Vesenkha of the RSFSR was weaker than that of the Ukraine, and rarely attempted to intervene in the control of Union industry located on its territory.³ In the RSFSR, it was the province or the region and not the Vesenkha of the republic to which most non-Union industry was subordinate;⁴ and it was mainly through the process of "regionalization" that attempts were made to establish local control over Union industry. Regionalization was intended to involve the transfer of greater powers to the newly-formed large regions, and to be a means of introducing an essential element of regional control into economic administration.⁵

In the middle nineteen-twenties, the Vesenkha of the USSR followed the practice of granting "mandates" to the Sovnarkhozy of the new regions to administer certain Union enterprises in their territories.⁶ Thus the Sovnarkhoz of the new Ural region received a mandate to administer the whole of the Union and republican

¹ See the discussions of the Ukrainian Vesenkha about the control figures for 1926-1927 reported in *Torgovo-Promyshlennaya Gazeta*, July 23, August 9, 1926, and the report of a meeting to discuss the construction of new factories in the Ukraine *ibid.* December 31, 1926. For Ukrainian influence on the location of industry see pp. 437-440, 443-444, 449, 451 below.

² *Torgovo-Promyshlennaya Gazeta*, May 26, 28, June 10, 1926.

³ In 1923 the main functions and personnel of the People's Commissariats of the RSFSR had been transferred to the USSR (see *Socialism in One Country*, 1924-1926, Vol. 2, p. 256).

⁴ In 1927-1928 the production of local industry in the RSFSR was four times as great as the production of republican industry, a substantially higher ratio than in the USSR as a whole (*Torgovo-Promyshlennaya Gazeta*, September 8, 1928).

⁵ For this process and its implications, see *Socialism in One Country*, 1924-1926, Vol. 2, pp. 273-303; in July 1923, when regionalization was first decided on, Krzhizhanovsky described economic regionalization as "sharply opposed to the principle of glavism" (G. Krzhizhanovsky, *Sochineniya*, ii (1934), 139-142).

⁶ G. Sakharov, N. Chernai and O. Kabakov, *Ocherki Organizatsii Tyazheloi Promyshlennosti SSSR* (1934), p. 28; A. Venediktov, *Organizatsiya Gosudarstvennoi Promyshlennosti v SSSR*, ii (1961), 52-53. Such mandates could also be given to the republican Vesenkhas.

industry within its boundaries.¹ In some areas not yet regionalized, an industrial bureau (Promburo) covering several provinces was established directly under the Vesenkha of the republic. The most important of these was the North-Western industrial bureau, Sevzappromburo, first established during the Civil War, which was directly responsible to the Vesenkha of the RSFSR for a large part of Union and republican as well as provincial industry in Leningrad and the three neighbouring provinces. The Union industry of the area was transferred to the Promburo on mandate, and the Promburo and the appropriate *glavki* of the Vesenkha of the USSR were jointly responsible for its administration.² The evidence about the success with which the system operated is conflicting.³

Quite apart from the factories entrusted to them on mandate, republican and local authorities were by the middle nineteen-twenties responsible for a substantial volume of industrial production. In the year 1925-1926, republican and local industry produced 47 per cent of the gross industrial production of state census industry, most of this being the responsibility of the local authorities.⁴ Larger factories tended to be administered by the

¹ P. Alampiev, *Ekonomicheskoe Raionirovanie SSSR* (1959), pp. 145-146.

² *Torgovo-Promyshlennaya Gazeta*, November 26, 1926; A. Venediktov, *Organizatsiya Gosudarstvennoi Promyshlennosti v SSSR*, i (1957), 583-584; *ibid.* ii (1961), 52; *Zavershenie Vosstanovleniya Promyshlennosti i Nachalo Industrializatsii Severo-Zapadnogo Raiona (1925-1928 gg.)* (1964), pp. 64-86.

³ According to a writer in *Pravda*, January 12, 1927, "a number of regions, like the Ural region and the North-Western region (Promburo), are already in fact managing almost all the industrial enterprises on their territory with great success"; for a contrary view see G. Sakharov, N. Chernai and O. Kabakov, *Ocherki Organizatsii Tyazheloi Promyshlennosti SSSR* (1934), p. 28.

⁴ This is shown by the following table, referring to the year 1925-1926:

	Number of Production Units (zavedeniya)	Number of Workers Employed	Production (million rubles at current prices)
Union Industry	1459	1,211,088	4767
Republican Industry	1042	265,150	1198
Local and Narkomat industry	6043	664,476	2963
Total	8544	2,140,714	8928

(*Fabrichno-Zavodskaya Promyshlennost' SSSR: Osnovnye Pokazateli ee Dinamiki za 1924/25, 1925/26 i 1926/27 gg.* (1929), pp. 16-17, Tablitsy, pp.

Vesenkha of the USSR, and smaller factories by the local authorities. The major producer goods industries and the largest units in the textile industries came under the Vesenkha of the USSR, while certain consumer goods industries were administered entirely by the republican and local authorities, including all food, drink and tobacco except sugar and spirits, and, among manufacturing industries, leather, footwear and tailoring. The republican and local authorities also administered certain producer goods industries, which either consisted of a large number of small units or worked for a mass market, or both; the most outstanding examples were building materials of all kinds, and agricultural engineering. But whether a particular factory or section of an industry came under the Union, the republican or one of the local authorities was often a matter of administrative convenience or historical accident. In the division of industry between republic, province and "lower" Soviet, similar broad principles operated. The Vesenkha of the republic directly administered all trusts responsible for certain major products such as cement, asbestos and iron-ore; it administered larger trusts in the basic chemical, tobacco and leather industries; and it left other industries, including soap and scent, matches and printing, almost entirely to the local authorities. Most local industry was administered by the province; the county and the rural district normally controlled only small flour-mills, brick and timber yards, tanneries and bakeries.¹

As industrialization advanced, constant argument revolved round the question of relations between Union, republican, regional and local authorities. In principle the need to delegate powers to republican and territorial authorities was accepted by Vesenkha officials. Kuibyshev declared that "to arrange industrial administration only vertically is already impossible".² The first plenum of the Vesenkha of the USSR in February 1927 passed a resolution on the need "to lean . . . to a considerably greater extent

104-111; for the term "census industry" see Note D, p. 934 below. The figures for local industry are not shown separately from those for "Narkomat" industry (industry controlled by Union or republican People's Commissariats other than Vesenkha), but the latter is unlikely to have been very substantial.)

¹ *Torgovo-Promyshlennaya Gazeta*, November 10, 1926.

² *Ekonomicheskaya Zhizn'*, February 20, 1927; see also Lobov in *SSSR: 4 S"ezd Sovetov* (1927), p. 376, and speeches by Shein, I. V. Kosior and A. M. Ginzburg in *Torgovo-Promyshlennaya Gazeta*, November 17, 1926.

than hitherto on the authorities in charge of the industry of a particular region" and "to give more rights to the Vesenkhas of the Union republics".¹ A few weeks later, on May 3, 1927, a decree of Sovnarkom, while calling for more planned direction and supervision of local industry by Union and republican authorities, reiterated that the administration of industry must be decentralized and more local initiative permitted.² But officials of the Vesenkha of the USSR continued to argue that they must be responsible for planning if not for administering republican and local industry. At a meeting of the presidium of the Vesenkha of the USSR in September 1928, both Kuibyshev and Mezhlauk openly supported the transfer of a large part of regional and provincial industry to the Vesenkha of the RSFSR, and made it clear that, in spite of regionalization, the major industries, including cotton textiles, must remain under the Vesenkha of the USSR.³ When discussion took place about specific industries, officials of the *glavki* and committees of the Vesenkha of the USSR ignored general principles and frankly advocated the transfer of republican and local industry to their control.⁴

The Vesenkha of the USSR was successful in securing control over several major trusts previously subordinate to republics or provinces. After a long dispute, it obtained in 1926 direct control of the city power stations of Moscow, Leningrad and other major cities.⁵ In 1928, the transfer to it of the Ukrainian iron-ore trust Yurt brought all stages of the Ukrainian iron and steel industry, from the ore to the finished product, under direct Union control.⁶ At a lower level, the large number of trusts and individual enter-

¹ *Promyshlennost' SSSR v 1927/28 godu* (1930), p. 177.

² *Direktivy KPSS i Sovetskogo Pravitel'stva po Khozyaistvennym Voprosam*, i (1957), 694-699. ³ *Torgovo-Promyshlennaya Gazeta*, September 8, 1928.

⁴ See, for example, the proposal of the timber directorate of the Vesenkha of the USSR to form an "all-embracing trust" to facilitate an export drive for timber (3 *Sessiya Tsentral'nogo Iсполnitel'nogo Komiteta Soyuza SSR 4 Sozyva* (1928), p. 105), or the proposal of the Vesenkha of the USSR to form a single printing trust (*Predpriyatie*, No. 2, 1927, pp. 73-74).

⁵ *Protokol Zasedaniya Prezidiuma VSNKh SSSR, 1925-1926*, No. 4, art. 101 (dated January 20, 1926); *Protokol Zasedaniya Prezidiuma VSNKh SSSR, 1926-1927*, No. 1, art. 5 (dated October 7); *Sobranie Zakonov, 1926*, No. 68, art. 521 (dated October 8); *Torgovo-Promyshlennaya Gazeta*, July 11, August 5, October 12, 1926.

⁶ *Ibid.* May 24, 1928; *Promyshlennost' SSSR v 1927-28 Operatsionnom godu*, ii (1930), 87.

prises, dispersed among a variety of authorities, was gradually reduced; the enlarged trusts which replaced them each covered one industry over a wide area. In the Ukraine, the leather industry was combined into a single Ukrainian leather trust, and important local agricultural engineering factories were transferred to the Ukrainian agricultural engineering trusts on the ground that they were too specialized to confine their sales to their local markets, and would be able to specialize further under republican auspices.¹ In the RSFSR, the same process took place; the Vesenkha of the RSFSR transferred a number of provincial factories into a newly-formed republican china and earthenware trust.² But in the RSFSR, regionalization, rapidly completed over the whole of its territory in 1928 and 1929, provided the major occasion for the further concentration of industry. The new regions usually took over the administration of all the major enterprises of the former provinces.³

Regionalization did not, however, involve the transfer of authority only towards the centre. A significant number of factories was transferred to the regions from the republican Vesenkhas and even from the Vesenkha of the USSR.⁴ When the North-Western region was formed, all republican enterprises on its territory were transferred to it.⁵ In spite of the objections of the Vesenkha of the USSR, the Vesenkha of the RSFSR transferred some of its enterprises to local authorities in order to secure the participation of local budgets in financing them.⁶ At the same

¹ *Promyshlennost' SSSR v 1927/28 godu* (1930), pp. 432-433; *Torgovo-Promyshlennaya Gazeta*, May 16, 1928.

² *Pravda*, April 28, 1927; *Promyshlennost' SSSR v 1926/27 godu* (1928), p. 431.

³ *Promyshlennost' SSSR v 1927/28 godu* (1930), pp. 431-433, 528, 532; a contemporary article suggested that provincial trusts were transferred to the regions "for financial reasons, to assist rationalization or to make it easier to organize supplies of materials" (*Voprosy Ekonomicheskogo Raionirovaniya SSSR*, ed. G. Krzhizhanovsky (1957), p. 326).

⁴ *Ibid.* p. 326; they included both enterprises which had previously obtained materials from and sold their output to more than one province, but could now operate within the larger region, and also enterprises which were still formally of republican or even Union significance, but were handed over to the regional Sovnarkhozy to administer.

⁵ *Promyshlennost' SSSR v 1927/28 godu* (1930), p. 172.

⁶ *Torgovo-Promyshlennaya Gazeta*, August 12, 1927; for the transfer of the motor-car trust to the Moscow Soviet see p. 447 below.

time a substantial number of provincial factories were transferred to departments (okruga) or even to districts.¹ These changes in administrative subordination between Union, republic and local authorities did not affect the total division of production between republican and local industry on the one hand and Union industry on the other. Republican and local industry were responsible for 4.2 milliard rubles of the gross production of census industry in the year 1925-1926, out of a total production of 8.9 milliard rubles; and in the plan for 1929-1930 they were to be responsible for 9 milliards out of a total output of 18 milliards.²

More important than these complex changes in administrative subordination was the tendency for central control over republican and local industry to increase. At the headquarters of the Vesenkha of the USSR more elaborate machinery was set up to exercise this control; it was decided, for instance, to establish a separate committee for the glass, china and earthenware group of industries under the presidium of the Vesenkha of the USSR at the time when large trusts for the glass industry were established.³ The elaborate controls established over new capital investment projects in 1926 and 1927 applied to the projects of republican and local industry as well as those of Union industry.⁴ While central control over republican and local industry increased, republican and local participation in the control of Union industry declined. Thus the customary right of the Vesenkha of the Ukrainian SSR to participate in the preparation of the control figures for Union industry on its territory was dropped,⁵ and the authority granted to Sovnarkhozy to administer Union and republican industry under mandate no longer seems to have been effective.⁶

¹ *Voprosy Ekonomicheskogo Raionirovaniya SSSR*, ed. G. Krzhizhanovsky (1957), pp. 331, 337.

² For the figures for 1925-1926 see p. 364 above; for the figures for 1929-1930 see *Ekonomicheskoe Obozrenie*, No. 11, 1929, p. 19. In the autumn of 1929, republican and local industry employed one million workers out of a total number of workers in state census industry of 2.26 millions.

³ *Torgovo-Promyshlennaya Gazeta*, June 17, 1928.

⁴ See pp. 357-358 above.

⁵ See the discussion at the Vesenkha of the Ukrainian SSR reported in *Torgovo-Promyshlennaya Gazeta*, July 14, 1928.

⁶ See G. Sakharov, N. Chernai and O. Kabakov, *Ocherki Organizatsii Tyazheloi Promyshlennosti SSSR* (1934), p. 28; for the system of mandates see pp. 363-364 above.

The introduction of such measures did not prevent complaints that the *glavki* and committees both of the Vesenkha of the USSR and of the republican Vesenkhas lacked sufficient authority over republican and local industry.¹ The complaints were not without foundation. The share of republican and local industry in total investment remained more or less constant during the period from 1925-1926 to 1928-1929.² Republican and local industries seem to have partly defeated the intention of the Vesenkha of the USSR to place strict limits on their investments, particularly in those industries in which high profits could be earned locally.³ The forces of the market remained relatively more powerful in republican and local industry than in Union industry, and central planning was correspondingly weaker.⁴ It was through the syndicates, which rapidly extended their control over the production both of the Union trusts and of local and republican industry, that central control eventually overcame the influence of market forces on republican and local industry.⁵

(c) *Trusts and Syndicates*

Regional devolution in industry through republican and local authorities was supplemented by devolution through the transfer of authority to autonomous trusts which combined factories producing similar or associated products. The original statute on the trusts promulgated in 1923 affirmed that they "operate on the

¹ *Torgovo-Promyshlennaya Gazeta*, May 19, September 8, 1928.

² The proportion of Vesenkha-planned investment in Union trusts and in the republican trusts of the Vesenkhas of the RSFSR and the Ukraine slightly declined up to 1927-1928 (in percentages of total investment):

1924-1925	1925-1926	1926-1927	1927-1928
84.0	78.9	80.0	77.3

(*Ekonomicheskoe Obozrenie*, No. 10, 1929, pp. 118-120). In the metal-working industry, investment in Union enterprises amounted to 38 out of a total of 75 million rubles in 1925-1926 and 94 out of a total of 173 million rubles in 1928-1929 (*ibid.* No. 2, 1930, p. 123).

³ In the leather industry, expenditure in excess of the initial plan was achieved in 1925-1926 and 1926-1927 partly by obtaining permission from the Vesenkha of the RSFSR to spend more than was provided for in the plan, and partly by spending more than the permitted amount (for figures see *Promyshlennost' SSSR v 1926/27 godu* (1928), pp. 390-391).

⁴ See speeches by Kuibyshev and Zolotarev in *Torgovo-Promyshlennaya Gazeta*, September 8, 1928.

⁵ See pp. 373-378, 640-641 below.

principles of *khozraschet* with the purpose of earning a profit", and that their presidents and boards should exercise "the foresight of a careful master (*khozyain*)".¹ By 1926, there were several hundred trusts: 80 came under the *Vesenkha* of the USSR, 100 under the republics, and a larger number under local authorities.² The term "trust" covered an enormous variety of industrial units. The typical provincial trust was at first small and subject to little central control; and even the iron industry of the Urals and the engineering industry were each divided among half a dozen trusts, whose production was to some extent competitive. But before the revolution industry already tended to be concentrated into large units, and in state industry in the nineteen-twenties the degree of concentration was in the main far greater. By 1926, 36 trusts each employed more than ten thousand workers, and were together responsible for employing two-thirds of the labour force in trustified industry.³ The giant trusts of heavy industry were central to the whole structure. *Yugostal* was responsible for most of the Ukrainian iron and steel industry, and included metal-working factories, quarries and coal mines as well as 14 iron and steel works. Almost the whole of the Soviet coal industry was the responsibility of the single trust *Donugol*, which also produced some mining equipment; and most of the oil industry came under *Azneft*. The engineering trusts included three major trusts organized on a territorial basis, *Yuzhmashtrest* in the Ukraine, *Lenmashtrest* and *Mosmashtrest*, and two organized on a production basis, *Gomzy* (transport and iron and steel equipment) and *GET* (electrical engineering); these trusts, except *Mosmashtrest*, which came under the *Vesenkha* of the RSFSR, and *GET*, which came under *Glavelektro*, were subordinate to *Glavmetall*. Some important consumer goods, such as sugar and cotton textiles, were also produced by very large trusts.

Trusts possessed a considerable degree of autonomy in practice as well as in law. In the early years of NEP the influence of *Vesenkha* over production and capital construction was weak; and the detailed planning of capital construction and preparation

¹ For this decree see *The Bolshevik Revolution, 1917-1923*, Vol. 2, p. 309; *The Interregnum, 1923-1924*, pp. 9, 45-46.

² *Torgovo-Promyshlennaya Gazeta*, December 8, 1926; *Entsiklopedicheskii Slovar' Russkogo Bibliograficheskogo Instituta Granata*, xli, ii (n.d. [1927]), 160.

³ *Torgovo-Promyshlennaya Gazeta*, December 8, 1926.

of projects was almost exclusively in the hands of the trusts. The trusts were also responsible for the actual work of construction : in 1926, some four-fifths of all industrial building was carried out by building departments attached to trusts and using direct labour.¹ Though central authorization was required to import machinery and other equipment, trusts normally drew up their own specifications, and major trusts sent their own teams of experts abroad to study foreign industry.² Nor can it be doubted that profit, as required by the statute, was a very important guiding stimulus to the activities of many trusts in the early years of NEP. Trusts were anxious to produce at a profit, and to avoid producing goods which sold at a loss. The profit motive was sometimes effective enough to frustrate the wishes of the authorities superior to the trust in Vesenkha ; Mezhlauk, when deputy president of Glavmetall, complained that "planned prices" for orders from Narkomput' were lower than normal wholesale prices, and that this exerted "a tremendous influence . . . because supply does not exceed demand".³ Another report stated that instructions from above in the textile industry tended not to work because certain lines were unprofitable.⁴

Nevertheless, the trust was never unambiguously a free agent. The economic position of the trusts varied widely. At one extreme, the production and costs of small local trusts, as of private industry, were subject to almost no control by the state ; the smaller consumer goods trusts produced primarily in response to market demand, as did important sections of the engineering industry. But even trusts producing for the market were subject to a great deal of financial regulation from Vesenkha, particularly in respect of capital expenditure.⁵ At the other extreme, the Union trusts, especially the large producer goods trusts, were controlled in detail from the centre ; their finance, their prices, their production and their customers were regulated by Vesenkha

¹ *Torgovo-Promyshlennaya Gazeta*, December 1, 1926, July 27, 1927.

² *Ekonomicheskaya Zhizn'*, January 4, February 23, 1927.

³ *Ibid.* June 14, 1925.

⁴ *Torgovo-Promyshlennaya Gazeta*, December 11, 1926.

⁵ A case was cited where the construction of a brick lavatory costing 1200 rubles had to be approved by Vesenkha (*ibid.* November 19, 1926) ; someone else complained that a trust could not sell an old horse without permission (*ibid.* November 20, 1926).

or by other organs of government. For most activities of most industries in the middle nineteen-twenties, the market and the financial levers manipulated by the state were more important than physical controls; but it was often a regulated market, and the financial powers of the central authorities enabled them to exercise detailed supervision.

The trusts in 1926 had thus already moved some distance away from the principles laid down in the statute of 1923. The trusts, with their emphasis on commercial independence and on the making of profits, were the offspring of NEP in its heyday; and the growth of planning rendered the existing statute in part inoperative and obsolete.¹ A revised statute was drafted in the spring of 1926; after much discussion, it was approved by TsIK and Sovnarkom on June 29, 1927.² The relevant clause of the new statute omitted the now suspect prescription that trusts operated "with the purpose of earning a profit", declaring instead that trusts operated "on the principles of commercial accounting in conformity with planned tasks", and replacing the entrepreneurial injunction to their officers to exercise "the foresight of a careful master" with the more guarded prescription to show "necessary care and foresight".³

In the next two-and-a-half years, the autonomy of the trusts

¹ The decline in importance of the profit motive was illustrated by the changing position of the personal bonuses of managerial and technical staff (see p. 602 below).

² *Sobranie Zakonov*, 1927, No. 39, arts. 391, 392. On the progress of the draft, see *Torgovo-Promyshlennaya Gazeta*, May 12, August 26, 1926; *Ekonomicheskaya Zhizn'*, February 20, 26, 1927. The important sections of the statute dealing with the relationship between the trust and the factory are discussed on pp. 381-382 below.

³ The term "commercial accounting" (*kommercheskii raschet*) replaced the term "*khozraschet*" which was used in the 1923 statute; this may have reflected a desire to retain in the statute a vestigial reference to the profit-making functions of the trust. In the nineteen-twenties the terms "*khozraschet*" and "*kommercheskii raschet*" were used interchangeably but ambiguously. In 1921, "*khozraschet*" was used in contrast to "state supply" to mean that the economic unit had some independence in supply and sales; it came also to imply that it was self-financing. "*Kommercheskii raschet*" came to be used to imply an activity which possessed these features of *khozraschet* but also had the purpose of making a profit; the term was used in preference to "*khozraschet*" from 1923 onwards for this reason, and for the same reason it was gradually dropped after 1926. A further complication was that within the trusts "*kommercheskii raschet*" was sometimes used quite differently, to mean that separate accounts were kept for a factory, as distinct from the fuller powers conveyed to

continued to be eroded by the growth of the central authority of Vesenkha.¹ The institutions primarily responsible for the slow decay in the powers of the trusts were, however, not the central organs of Vesenkha, but the syndicates. The function of the syndicates was the marketing of industrial goods ;² and they had originally been created in 1922 by the trusts themselves, mainly by the large Union trusts, in order to resist market pressures on industrial prices.³ Though Vesenkha retained the formal right to approve the statutes and the principal officials of the syndicates, they were at the outset exclusively selling agencies of the trusts, relations with which rested on a contractual basis. Down to 1924, when the syndicates were still in practice subordinate to the trusts, they frequently complained that the trusts did not permit them to become a genuine instrument for the optimum distribution of their products. The trusts normally prepared production programmes before they negotiated with the syndicates ; the syndicates therefore had to handle a given pattern of production, and were often offered only those products which the trust was unable to market itself.⁴ But gradually a striking reversal of rôles took place. The proportion of sales controlled by the syndicates rapidly increased ; and they regulated sales in a more active and more detailed way.⁵ Control of sales gradually came to imply the need to control production, and, by influencing investment decisions, to control the way in which production expanded ; hence the syndicates also attempted to control the finances of their industry⁶. Several syndicates also set up central departments to supply materials to their trusts. They thus acquired a foothold in major administrative and planning functions.

The syndicates first began to enroach on the powers of the trusts in industries where the authority of the trust over its factories was weak. The All-Union Textile Syndicate (VTS), since

the factory by "khozraschet" (A. Venediktov, *Organizatsiya Gosudarstvennoi Promyshlennosti v SSSR*, ii (1961), 25-26, 264 ; *Predpriyatie*, No. 11, 1926, p. 10 ; A. Ginzburg, *Ekonomika Promyshlennosti*, i (1925), 222-225).

¹ See pp. 357-358 above and 827-829 below.

² For their activities in this capacity see pp. 636-653 below.

³ See *The Bolshevik Revolution, 1917-1923*, Vol. 2, pp. 312-315.

⁴ *Torgovo-Promyshlennaya Gazeta*, July 18, November 24, 1926.

⁵ The reasons for the rise of the syndicates are discussed on pp. 639, 641-642 below.

⁶ *Torgovo-Promyshlennaya Gazeta*, May 8, 1928.

its foundation in 1922, had been the most powerful central organization in the textile industry ; and the importance of the market in textiles as the chief channel for the supply of industrial goods to the peasantry gave it a key position in the economy. In the autumn of 1926, on the recommendation of Rabkrin, VTS took over full responsibility for supplying the textile industry with raw materials and fuel and with spare parts for its machinery.¹ It soon began to exercise an influence over the technological development and the investment programmes of the textile trusts,² and during 1926 and 1927 took over first their trading departments and then their warehouses and major stores.³ This process transformed the relation of VTS to Glavtekstil as well as to the trusts. To obtain machinery and spare parts textile trusts or factories were not permitted to contact the textile engineering factories direct, but had to apply through the central office of VTS.⁴ At the same time, a process of fusion and specialization simplified the administrative structure. In the cotton textile industry, no doubt under pressure from VTS, the six trusts were merged into three at the end of 1926 ;⁵ and shortly afterwards single trusts were formed for the woollen and linen industries. The position of the Sugar, Rubber and Spirit Trusts was anomalous. They had never formed syndicates, but had set up semi-autonomous trading departments as part of their own organization, which came to control sales, supplies and planning for all factories in their respective industries.⁶ In the metal industries, a number of syndicates had been established ; they were at first divided by rivalries and local jealousies, and the *glavk* had strong and effective powers. As a result, a unified syndicate was slower to appear ; the All-Union Metal Syndicate (VMS) and a machinery syndicate (VMTS) were both creations of 1926.⁷ But, once the process had set in, it followed the same course of development at the expense of the trusts. In many industries, syndicates were particularly important as a means of establishing Union control over republican and local industry.⁸

¹ *Torgovo-Promyshlennaya Gazeta*, November 19, 1926 ; *Ekonomicheskaya Zhizn'*, January 11, 1927.

² *Predpriyatie*, No. 11, 1926, pp. 18-19 ; *Torgovo-Promyshlennaya Gazeta*, July 27, September 30, 1927.

³ *Ibid.* August 25, 1926, October 18, 1927.

⁴ *Ibid.* November 19, 1926.

⁵ *Ibid.* December 8, 1926.

⁶ *Ibid.* November 19, 1926, August 18, 1928.

⁷ For these syndicates see pp. 637-638 below.

⁸ See pp. 640-641 below.

This confused and unplanned division of authority over industry, with the trust squeezed out between the *glavk* and the syndicate, soon aroused controversy. In November 1926, Ginzburg spoke in a report to a conference of trusts and syndicates of the growth since 1924 of "a system of bureaucratic regulation in industry", as a result of which "the syndicates threaten to turn into *glavki* with semi-compulsory powers" and "the trusts are deprived of a considerable share of their independence".¹ Sabsovich proposed to deal with this situation by the abolition of the trusts and the transfer of their functions to the syndicates; another industrial official put forward the opposite proposal that the syndicates should be abolished and the trust made the central administrative unit; both ideas were dismissed by the industrial newspaper as "theoretical arm-chair proposals".² A fresh dispute boiled up in the autumn of 1927 in the form of allegations of "lack of coordination" and "disequilibrium" between VTS and Glavtekstil. Some Rabkrin officials, as the result of an enquiry, recommended the abolition of the syndicate; others advocated the assimilation of Glavtekstil into VTS. Opinion in Vesenkha itself seems to have been split. In a discussion in October 1927, one official asserted that "fusion would, in fact, mean the creation of the old glavkism in new conditions"; but the president of Glavtekstil somewhat surprisingly defended the bringing together of commercial and administrative functions under the syndicate, on the ground that "VTS does in fact now manage the industry, and the *glavk* only gives its sanction to this management". At this time Vesenkha decided against both extreme solutions, and left the *status quo* in being: the *glavk* would control the production programme and new investment, which would be kept firmly under the authority of Vesenkha, and the syndicate would control sales, supplies and finance.³ A few weeks later other counsels prevailed. At the fifteenth party congress in December 1927, Orjonikidze, who had replaced Kuibyshev as president of the party central control commission and as People's Commissar for Workers' and Peasants' Inspection in August 1926, explained that Rabkrin, faced with the weakness of Glavtekstil, which had so little authority

¹ *Torgovo-Promyshlennaya Gazeta*, November 28, 1926.

² *Ibid.* November 25, December 3, 11, 1926.

³ *Ibid.* October 30, 1927.

that it had to ask the syndicate to put its orders into effect, had come to the conclusion that Glavtekstil should be abolished; he reported that this proposal had already been approved.¹ VTS thus assumed all the functions of Glavtekstil, including the management and control of Union industry and the planning of republican and local industry.

While no other syndicate was powerful enough at this time to emulate VTS in securing the abolition of the corresponding *glavk*, greatly increased control over the activities of the trusts by the syndicates was now general. The disappearance of the contractual relation between trust and syndicate was still not formally recognized. A new statute for the syndicates, promulgated by TsIK and Sovnarkom on February 29, 1928, preserved the legal principle that the syndicates were to be voluntary organizations save "in exceptional cases"; and the selection of goods to be sold and the conditions of sale were still to be the subject of contracts negotiated between trust and syndicate.² In fact, syndicates were often by this time controlling the distribution of the whole production of the trusts and issuing compulsory orders to them.³ VTS, having secured the abolition of Glavtekstil, was freely accused of seeking to abolish the textile trusts; and, though this accusation was firmly denied, VTS began to give direct administrative orders to the trusts, and to drop the pretence of contractual relations with them.⁴ The precedent of VTS caused alarm elsewhere, and one trust official exhorted his colleagues to "learn from the example of VTS how *not* to manage industry".⁵ At a discussion in Vesenkha towards the end of 1928, a representative of the silk trust complained that VTS had set up departments which performed the same functions as the trusts.

And one fine day [he commented] VTS will have the possibility of saying to Vesenkha, to Rabkrin and to the whole world that this constitutes intolerable overlapping, that it is necessary to abolish it.

¹ *Pyatnadsatyi S"ezd VKP(B)*, i (1961), 450-451.

² *Sobranie Zakonov*, 1928, No. 16, art. 129.

³ The legal aspects of relations between syndicate and trust, and the ensuing controversies, are examined in A. Venediktov, *Organizatsiya Gosudarstvennoi Promyshlennosti v SSSR*, ii (1961), 280-296.

⁴ *Torgovo-Promyshlennaya Gazeta*, June 24, 1928.

⁵ *Ibid.* September 23, 1928.

On the other hand, two officials of cotton textile trusts declared their qualified support for the abolition of the trusts.¹

The tangled complex of *glavki*, trusts and syndicates provoked a heated and confused debate at the fourth plenum of Vesenkha in November 1928. I. V. Kosior, who had recently published an article highly critical of the syndicates, led the attack on them, incongruously arraigning them as transmitters of "the pressure of market spontaneity". More plausibly he called for resistance to "the unhealthy tendencies of the syndicates to glavkism". Mantsev, the president of the council of syndicates and, like Kosior, a member of the Vesenkha presidium, detected "objective tendencies" to unify industry into "a kind of glavkist organization" and to "*turn the syndicates into the main lever of control of our planned economy*"; and Ryabovol, president of the oil syndicate, openly advocated a merger of *glavki* and syndicates. Birman, president of Yugostal, denounced the "imperialist ambitions" of the metal syndicate VMS. But, unlike Kosior, who wanted to subordinate the syndicates to the *glavki*, Birman was equally hostile to both, and demanded more independence for the trusts, whose authority was being undermined.² In this welter of opinions, Kuibyshev failed to declare himself; the plenum passed both a resolution prepared by Kosior which rebuked the syndicates for glavkist tendencies, and a special resolution on the syndicates which referred to the "voluntary" basis of relations between trusts and syndicates, but also emphasized that in a number of industries the syndicates had the function of "conveying to the market the organizing and controlling pressures of the socialist economy".³ While the plenum thus failed to solve the problem of future relations between *glavk*, trust and syndicate, the debate made it clear that the question was not whether to maintain the central control of industry, but how to maintain it

¹ *Ibid.* December 1, 1928.

² The debate was reported in *Torgovo-Promyshlennaya Gazeta*, November 30, December 1, 2, 1928; Kosior's article was in *Puti Industrializatsii*, No. 21, 1928, pp. 70-86, and was reproduced in part in *Torgovo-Promyshlennaya Gazeta*, November 25, 1928 (the same issue, however, also carried an article proposing that the syndicates should take over the *glavki*); Kosior was himself a former president of a trust (see p. 315 above).

³ *Torgovo-Promyshlennaya Gazeta*, December 6, 1928; Birman reported to the plenum that a minority of the commission responsible for preparing the special resolution had various objections to it.

most effectively. Throughout this period the progressive predominance of planning over market factors, and the association of control over distribution with control over production, brought increasing power to the syndicates. An article in the journal of Narkomtorg in the spring of 1929 spoke of the struggle between " ' forced ' syndicalization " and " ' free self-determination ' " of the trusts as having been settled in favour of the former, repeated the argument that the trusts did not understand the market, and quoted the precedents of the sugar and rubber trusts to justify the combination of controls over marketing and production in a single organ.¹ Early in 1929 commissions on the reorganization of industry were set up both by Rabkrin and by Vesenkha. The problem of relations between *glavk*, trust and syndicate remained unresolved until the end of the year.²

(d) *The factory*

In the legislation on trusts adopted in 1923, the Soviet factory had no legal rights of its own.³ The trust was recognized in law as an " enterprise " (*predpriyatie*) with the status of a juridical person ; the factory was briefly dismissed as a *zavedenie*, and was simply a constituent part of the trust.⁴ Supplementary legislation adopted by Vesenkha in May 1924 authorized and encouraged the trust to delegate legal authority to the factory director, and to define the limits within which the factory could act independently. But legal responsibility for all the actions of the factory remained with the trust : the factory could neither sue nor be sued.⁵ In practice

¹ *Voprosy Torgovli*, No. 6, March 1929, pp. 7-8.

² The reform of December 1929, in which the *glavki* were abolished and the syndicates reorganized into combines (*ob"edineniya*), took place outside the period covered by the present volume ; it is described in E. Burns, *Russia's Productive System* (1930), pp. 127-145, 261-273.

³ See *The Bolshevik Revolution, 1917-1923*, Vol. 2, pp. 308-309 ; *Sobranie Uzakonenii*, 1923, No. 84, art. 815. A few factories did not form part of a trust and had the status of an " enterprise ".

⁴ The term " *zavedenie* " was taken from the 1893 Statute on Industry, where it was defined as including " factories, works and manufactories " (A. Ginzburg, *Ekonomika Promyshlennosti*, i (1925), 62). The term was never accepted by the factories themselves : at the first plenum of Vesenkha in February 1927, a speaker pointed out that " in the localities they do not understand what it is " (*Ekonomicheskaya Zhizn'*, February 20, 1927).

⁵ See A. Venediktov, *Organizatsiya Gosudarstvennoi Promyshlennosti v SSSR* ii (1961), 77-82 ; *Predpriyatie*, No. 7, 1926, pp. 96-97.

as well as in law, the trust at first acted as the master of the factory. The trust was at this time more often guided by the forces of the market than by controls of the central authorities, and the factory was not immune from the pressures of the market or from economic fluctuations resulting from changes in state policy.¹ But these influences were brought to bear on the factory not directly, but through the trust and its administrative and financial controls. The factory, as one Red director put it, had its "face to the higher administration" — that is to the trust — rather than to the customer.² Orders received from the trust rather than the profit-motive were the spur to its efforts and the main criterion for its success.³ In relation to its factories, the trust was in the position of the government of a miniature "centrally planned economy", and in its arrangements for controlling the factories many features of the Soviet economy of the nineteen-thirties may already be found.

No uniform arrangements were established for these controls. Each trust was responsible, within the very broad limits of the 1923 statute and the 1924 legislation of Vesenkha, for making its own internal arrangements, and the planning and distribution process within the trust was only loosely and tentatively connected with the emergent system of national industrial planning. Both the methods by which different trusts controlled their factories and the extent of autonomy of the factories varied considerably. As industry recovered to its pre-war level, however, the effective power of the individual factory and its director tended to increase gradually but significantly. This was particularly true of the larger factories, whose production by 1926 often equalled that of the whole trust three years earlier. Thus the Proletarskaya textile factory in Tver, which employed 20,000 workers and produced 60 per cent of the total production of its trust, included all the main stages of manufacture; the trust had no coordinating function,

¹ For an account of the effect of the boom of 1925 and the subsequent depression on labour, sales, supplies and stocks in individual factories see *ibid.* No. 4, 1926, pp. 85-88.

² *Ibid.* No. 3, 1927, p. 67.

³ In Yugostal, for example, between 1922 or 1923 and 1926 its separate works were said to have been treated like production departments of a single factory: the main indicator of their success was not their profit, but the physical weight of their output (Birman in *Torgovo-Promyshlennaya Gazeta*, June 17, 1928). See also *Planovoe Khozyaistvo*, No. 2, 1926, pp. 112-115; *Bol'shevik*, No. 9-10, May 30, 1926, pp. 111-112.

but simply put its stamp on the arrangement made by the factory for selling its output to the syndicates. Small textile factories, on the other hand, were strictly controlled by their trust.¹ The increase in the authority of the factory took place very unevenly and varied considerably between industries. But the general trend was clear, and by 1926 was reflected in *ad hoc* arrangements under which certain trusts formally delegated responsibility to their factories. Thus some factories were granted working capital with which they could manœuvre; they were allowed to acquire minor materials independently of the trust, and to take orders from customers on their own initiative.² In a few of the larger trusts, factories were put on *khozraschet*. The first announcement of such a decision was made at a conference convened by Dzerzhinsky in May 1926 to discuss the financial crisis in Yugostal.³ According to these proposals Yugostal would retain the powers of planning and control over the factory which the *glavk* exercised over the trust; it would also continue to control supplies to its factories, so that competition between them would not force up prices, and to redistribute financial resources between its factories. But its larger factories, at any rate, would eventually have their own fixed and working capital and conduct independent financial and credit operations: "it is unthinkable", wrote Birman, "that factories equal in size to large Union trusts can be successfully managed in a centralized way".⁴ In July 1926, STO recommended Vesenkha to provide for "maximum economic independence" for the factories of Yuzhmashtrest, which had also been in financial difficulties.⁵ In August 1926, Glavmetall circulated a statement to the metal trusts on the principal features of the transfer of factories to *khozraschet*.⁶ By November 1926, further trusts

¹ *Torgovo-Promyshlennaya Gazeta*, November 19, 1926; *Predpriyatie*, No. 1, 1927, pp. 71-72.

² *Torgovo-Promyshlennaya Gazeta*, November 23, 26, December 11, 1926; *Predpriyatie*, No. 11, 1926, pp. 10-11.

³ *Torgovo-Promyshlennaya Gazeta*, May 25, 1926; for the crisis in Yugostal see p. 333 above. More limited rights along these lines had already been granted by Donugol in 1923 and Gomzy in 1924 (A. Venediktov, *Organizatsiya Gosudarstvennoi Promyshlennosti v SSSR*, ii (1961), 81-82).

⁴ *Metall*, No. 1-4, 1927, pp. 83-93.

⁵ See A. Venediktov, *Organizatsiya Gosudarstvennoi Promyshlennosti v SSSR*, ii (1961), 269.

⁶ *Torgovo-Promyshlennaya Gazeta*, August 28, 1926.

in the producer goods industries were reported to be putting factories on *khozraschet*; in trusts producing consumer goods much less had been done, though by this time serious discussions on the subject were being held in the food and textile industries.¹

In spite of these changes, the factory continued to lack rights in law; it was generally recognized in industry as an underprivileged unit whose functions should be properly delimited. The first draft of the new statute on trusts, prepared in the spring of 1926, failed to meet the widespread criticisms: it contained only a single article on the position of "factories" (*zavedeniya*) within the trust. As a result of pressure from Dzerzhinsky and the factory directors, the section of the statute dealing with the constituent units of the trusts was greatly expanded, principally by including many of the provisions of the 1924 Vesenkha regulations.² In the final version of the new statute on the trusts adopted in 1927³ a whole section was devoted to the factory, and the important step was taken of dropping the term "*zavedenie*" and referring to factories as "production enterprises". While the factory did not become a juridical person, the director acquired criminal and civil responsibility, and the trusts were instructed to accord precise powers to him by means of a separate statute for each factory. The legal status of the factory was thus much improved. Each factory would have an independent current account, and part of any savings made as compared with planned cost would be placed at the disposal of the director. The director was entitled to make expenditure on current repairs and minor capital repairs without specific reference to the trust. He was granted the right to hire and fire all administrative and technical personnel, including the technical director: ⁴ the only exception to this rule was that the appointment of the chief book-keeper had to be approved

¹ *Predpriyatie*, No. 11, 1926, pp. 10-14; No. 1, 1927, pp. 71-72; No. 2, 1927, p. 73.

² *Ibid.* No. 7, 1926, pp. 96-97; for the Vesenkha regulations see pp. 378-379 above.

³ See p. 372 above.

⁴ The technical director had previously been a trust appointment; he was usually a trained engineer responsible for production, and perhaps more influential within the factory than the director himself, who was often a party man without technical qualifications. The first plenum of Vesenkha in February 1927 had resolved after "great argument" that the factory director should appoint the commercial director, but that the technical director should be appointed by the board of the trust on the proposal of the factory director; the

by the trust. Finally, the trust was required to operate its control over production through a system of "planned orders" (*naryady-zakazy*) which regulated the mutual obligations of factory and trust. The trust was required to consult the factory and its director in the preparation of plans and in drawing up procedures for supplies and finance.¹ Two important omissions may be noted from this charter of factory rights. First, the word *khovraschet* was nowhere used, though this may have been an omission of form rather than of substance.² Secondly, no power was explicitly given to the factory to sell its products and to purchase supplies independently of the trust.

In the spring and summer of 1928, much evidence was published that the trusts had not in fact accorded to factories the rights to which they were entitled by the statute. Thus, a Rabkrin investigation of 13 Union trusts purported to show that only two of them had carried out the statute; and the industrial newspaper declared that "the decree had been carried out almost nowhere": "a whole year has been lost".³ Detailed information about the powers of the factory in Yugostal, the first major trust to initiate factory *khovraschet*, was published in the course of a heated discussion between Birman and an official of the Ukrainian Rabkrin. Each factory compiled its own annual *promfinplan*, and maintained its own working capital.⁴ It was paid for its production at a price related to its costs, and exercised considerable control over its orders for materials and its expenditures, within the limits of its general allocation: both the commercial and the supplies departments of the trust were themselves self-financing. On the

directors present recorded the reservation that "with such a system, the director will not be able to feel himself master in the enterprise" (*Ekonomicheskaya Zhizn'*, February 26, 1927). The final decision was a victory for the directors, increasing their control over their technical experts, while strengthening the autonomy of the factory in relation to the trust.

¹ Supplementary legislation on the powers of enterprises adopted between 1927 and 1929 is summarized in A. Venediktov, *Organizatsiya Gosudarstvennoi Promyshlennosti v SSSR*, ii (1961), 272-274.

² Venediktov comments that "the measures laid down by [the statute] amounted precisely to a placing of the enterprises of trusts on *khovraschet*" (*ibid.* ii, 271).

³ For evidence on the powers of the factories in 1928, see *Torgovo-Promyshlennaya Gazeta*, May 10, 12, 17, 19, June 6, July 1, 1928; *Predpriyatie*, No. 6, 1928, p. 20.

⁴ For the *promfinplan* see pp. 823-828 below.

other hand, the growing complexities of central planning led Yugostal to change plans and production orders frequently and to require detailed reports from the factories.¹ At the fourth plenum of Vesenkha in November 1928, Birman complained bitterly that owing to the interference of the *glavki* and Vesenkha the enterprises of Yugostal could not be kept on *khozraschet* to the desired extent, and the authority of the trust was undermined.² The picture which emerges from the confused evidence is that, as the authority of the trust declined, and was by-passed by direct dealings between the factory and the *glavk* and syndicate, the status of the factory improved. But this process was part of a general strengthening of centralized planning; "planned orders" brought the factory firmly into the planning system. The increased autonomy of the factory implied no slackening of its integration into a complex system of planned production and distribution.

The major features of the complicated process of organizational change in state industry between 1922 and 1929 may be summarized as follows. In 1922, the trust was the main administrative authority. At that time, except in certain producer goods industries, the trust was guided in deciding what to produce primarily by the market and by the profit motive rather than by direct orders of the government. The Vesenkha of the USSR and its directorates were therefore relatively weak. The trust, on the other hand, did not delegate much authority to its factories, but tried to control their work in detail by direct administrative instructions. From 1923 onwards, the scope of the controls exercised by the central authorities over the trusts gradually increased. Price controls were established, first over wholesale and then over retail prices; these were soon followed by the introduction of production programmes and of controls over capital investment, which were administered by the *glavki*. While controls over investment were fairly effective, controls over production were not. But meanwhile the syndicates developed as

¹ *Torgovo-Promyshlennaya Gazeta*, June 1, 17, July 13, 19, 1928; in Yugostal the list of materials dealt with by the supply department included 16,000 items, a situation which resulted, according to Birman, in "hysterical telegrams".

² *Torgovo-Promyshlennaya Gazeta*, December 1, 1928.

agencies for controlling sales, and began to encroach both on finance and on the planning of production ; they were the only effective instrument at the centre for controlling the production and sales of republican and local industry. *Glavki* and syndicates replaced the market as the main influence on the activities of the trust. In the rivalry between *glavk* and syndicate, the authority of the syndicate steadily grew. The factory successfully asserted its right to greater independence from the trust ; it obtained some financial autonomy, and was increasingly in direct communication with, and under direct orders from, the central authorities, particularly the syndicates. The factory was becoming the principal unit with which the Vesenkha of the USSR was to deal in the new type of non-market economy which was by now firmly established ; and the trust lost its powers to the *glavk* and syndicate on the one hand and to the factory on the other.

CHAPTER 15

NON-STATE INDUSTRY

(a) *Cooperative and Private Census Industry*

WHILE state factories were responsible for by far the greater part of the production of large-scale or "census" industry, some census industry continued throughout the nineteen-twenties to be in the hands of cooperatives or of private individuals.¹ In 1925-1926, "cooperative industry" (kooperativnaya promyshlennost') was responsible for 6.4 per cent and private industry for 3.5 per cent of the production of census industry.² In addition foreign concessions were responsible for a small amount of production, less than one-half per cent of the total.³

Cooperative industry included industry belonging to the consumer cooperatives, to the agricultural cooperatives and to industrial cooperatives (promyslovaya kooperatsiya); in census industry the first category was the most important.⁴ Cooperative industry consisted largely of food enterprises, and was responsible for 17 per cent of the gross production of all census food industry; it also included sawmills, printing works, tanneries, and small factories or workshops producing metal goods, cotton textiles and soap.⁵

¹ For the term "census industry" see Note D, p. 934 below.

² See Table No. 15, p. 950 below.

³ See pp. 716-718 below.

⁴ *Fabrichno-Zavodskaya Promyshlennost' SSSR: Osnovnye Pokazateli ee Dinamiki za 1924/25, 1925/26 i 1926/27 gg.* (1929), pp. 18-19. Of the total gross production of cooperative census industry, which amounted to 700 million rubles in 1926-1927, 395 million rubles was attributable to the consumer cooperatives, 109 million rubles to the agricultural cooperatives and 164 million rubles to the industrial cooperatives; of 700,000 members of industrial cooperatives only 38,000 came within the category of census industry. For the industrial and consumer cooperatives, see pp. 392-394, 653-662 below; for the agricultural cooperatives, see pp. 144-157 above.

⁵ For detailed information about cooperative census industry in 1926-1927, see *Fabrichno-Zavodskaya Promyshlennost' SSSR: Osnovnye Pokazateli ee Dinamiki za 1924/25, 1925/26 i 1926/27 gg.* (1929), *Tablitsy*, pp. 112-127.

The production of cooperative census industry more than doubled in the period from 1925-1926 to 1928-1929, and by the latter year it amounted to 9 per cent of the total production of census industry against 6.4 per cent in 1925-1926.¹ The rapid increase was apparently primarily due to the transfer to the cooperatives of flour-mills and other food enterprises which had previously been in private hands.²

The two main types of private census industry were privately-owned industry, and industry leased to private individuals by the state ; of these, leased industry was by far the more important.³ Private industry consisted almost entirely of small factories. By legislation which dated from the beginning of NEP, a private industrial enterprise was not permitted to employ more than twenty hired workers.⁴ In law, concessions could be granted to Soviet citizens to start factories employing more than 20 workers ; in practice, such concessions were granted only to citizens of foreign countries.⁵ One-third of all the workers in private census industry were employed in the food, drink and tobacco industries ; and the overwhelming majority were employed in the consumer goods industries.⁶ Though the industry consisted of small units, the labour force tended to be skilled, earning on an average some 20 per cent more than in state industry. Labour productivity was some 30 per cent higher ; this was attributed partly to the fact that private industry was able to concentrate on more expensive and more fashionable goods, and partly to "better

¹ See Table No. 15, p. 950 below.

² *Kontrol'nye Tsifry Narodnogo Khozyaistva SSSR na 1927-1928 god* (1928), p. 48 ; *Kontrol'nye Tsifry Narodnogo Khozyaistva SSSR na 1928-1929 god* (1929), pp. 106-107.

³ In 1924-1925 the production of leased private census industry was 196 million rubles against 49 million rubles in privately-owned census industry (*Chastnyi Kapital v Narodnom Khozyaistve SSSR*, ed. A. Ginzburg (1927), p. 38).

⁴ For this provision and the frequent violations of it see *Socialism in One Country, 1924-1926*, Vol. 1, p. 357, note 2 ; in 1924-1925 the privately-owned industrial enterprises of census industry employed an average of 22 persons and leased enterprises employed an average of 25 (*Chastnyi Kapital v Narodnom Khozyaistve SSSR*, ed. A. Ginzburg (1927), p. 38).

⁵ Yu. Larin, *Chastnyi Kapital v SSSR* (1927), pp. 151-152.

⁶ See figures for the first six months of 1925-1926 in *Chastnyi Kapital v Narodnom Khozyaistve SSSR*, ed. A. Ginzburg (1927), pp. 43-45.

labour organization, a considerably stricter labour discipline, a more skilled labour force, a relatively smaller number of auxiliary workers, the supply of materials and tools on time etc.”¹

Party statements made unambiguously clear the long-term policy which was to be pursued in relation to the private sector of the economy. The fourteenth party congress in December 1925 stressed that “the objective of attaining the all-round victory of socialist economic forms over private capital” must be “at the centre of attention”.² In April 1926, the party central committee described “the rapid growth of the productive forces of the country in the direction of increasing the relative weight of the socialist elements in the economy” as “the basic fact demonstrating that the proletarian dictatorship has been strengthened and that the international importance of the USSR has increased”.³ But officials in charge of industrial policy showed little eagerness to apply these principles to the organization of industry. In April 1926, A. M. Ginzburg presented to an industrial conference a report which analysed the function of private capital in the economy in the light of the need for industrial investment, and cautiously discussed the possibility of directing private capital into certain industries: he referred to “industries in which the state economy is not particularly interested in securing predominance for itself — small insignificant industries which do not influence the economy, and in which private capital plays a significant part”.⁴ Dzerzhinsky’s view at this time was that maximum use should be made of private capital by providing it with a clearly delimited sphere of activity in both industry and trade, within which it could operate legally;⁵ and Kviring, then one of the principal officials of Vesenkha, reported that the government considered it expedient to offer concessions to domestic private capital rather than to foreign capital.⁶

During the summer of 1926, the official attitude to private

¹ *Ibid.* pp. 209-216; Yu. Larin, *Chastnyi Kapital v SSSR* (1927), pp. 146-149.

² *KPSS v Rezolyutsiyakh* (1954), ii, 196.

³ *Ibid.* ii, 258.

⁴ *Torgovo-Promyshlennaya Gazeta*, April 16, 1926. The resolution on Ginzburg’s report merely noted it “as introductory to further work”; another resolution of the conference spoke of the need to pursue a “stable policy” towards private capital so that it could be shifted from speculation to “socially useful economic functions in industry or trade” (*Protokol Zasedaniya Prezidiuma VSNKh SSSR, 1925-1926*, No. 8).

⁵ *Torgovo-Promyshlennaya Gazeta*, May 9, June 4, 1926.

⁶ *Ibid.* May 22, 1926; for Kviring see p. 286, note 1 above.

capital in both industry and trade began to change.¹ New legislation substantially increased the taxes payable by private industry and trade.² This foreshadowed a sustained drive, which was to take the form of administrative action as well as of economic measures, and continued until private capital was eliminated from the economy. On August 23, 1926, a decree of the party central committee stressed "the opposition of class interests between labour and capital in concession and private industrial and trading enterprises", and insisted that party organizations in these enterprises must struggle more vigorously against the influence of the private *entrepreneurs* on the workers and take the lead in defending the interests of the workers.³ Rykov, in his report to the fifteenth party conference in October 1926, did not attempt to defend the operation of private capital within fixed limits as Dzerzhinsky had done six months before, but claimed that the state was already conducting an offensive against it.⁴ The conference declared that private capital should be restricted to those sectors of the economy in which it was most easy "to regulate its activity and record and tax its profits".⁵ A certain ambivalence still remained. Larin, who was one of the most active advocates of strong action against private capital, emphasized in the spring of 1927 that private industrial capital was more useful than private trading capital, and spoke, not of eliminating all private capital from industry in the near future, but of confining the private industrialist to particular activities such as brick-making and house-building, which did not form part of the commanding heights of the economy or involve the consumption of scarce materials; he even proposed the relaxation of the law restricting private firms to the employment of a maximum of twenty workers.⁶ "We will build the Rostov agri-

¹ For other aspects of this change of attitude see pp. 667-668 below.

² See pp. 748-749 below.

³ *Spravochnik Partiinogo Rabotnika*, vi (1928), i, 510-513; a circular dated October 2, 1926, ruled that party members should not normally hold administrative posts in concession and private enterprises (*ibid.* vi, i, 568). For the attitude of the trade unions to workers in private industry see Note E, pp. 938-939 below.

⁴ *XV Konferentsiya Vsesoyuznoi Kommunisticheskoi Partii (Bol'shevikov)* (1927), pp. 129-130.

⁵ *KPSS v Rezolyutsiyakh* (1954), ii, 308.

⁶ *Bol'shevik*, No. 11-12, June 15, 1927, pp. 83, 87-89; in the summer of 1927, Larin predicted that the law was about to be rescinded (Yu. Larin, *Chastnyi Kapital v SSSR* (1927), p. 152).

cultural engineering factory and Dnieprostroi ourselves," he commented, "and permit the capitalist to build a button factory."¹ Similar views were propounded in Gosplan. In its annual control figures prepared in the summer of 1927, Gosplan expected that the "process of elimination of private census industry will in all probability not continue in 1927-1928"; and a year later it calculated that private capital would move into industry from trade, so that the production of private census industry would rise by 6.1 per cent in 1928-1929.² Even in 1928, the regulation of private capital was discussed in terms of economic rather than administrative measures.³ But practice had far outstripped official precept. During the summer of 1927, both economic pressure and administrative action were used to restrict the private sector: in the year 1926-1927, the production of private and concession census industry, planned to increase by 12 per cent, declined by nearly 30 per cent as measured in pre-war prices, a decline described by A. L. Vainshtein, Kondratiev's deputy in the *Konjunktur* institute of Narkomfin, as "a new stage in the development of the economic life of the USSR".⁴ The process continued throughout 1928 and 1929; and in 1928-1929 private industry was responsible for only 0.3 per cent of the total production of census industry.⁵

(b) *Small-scale industry*

In addition to large-scale or census industry, an important part was played in the economy of the nineteen-twenties by "small-

¹ *Ibid.* p. 158.

² *Kontrol'nye Tsifry Narodnogo Khozyaistva SSSR na 1927-1928 god* (1928), p. 243; *Kontrol'nye Tsifry Narodnogo Khozyaistva SSSR na 1928-1929 god* (1929), pp. 96, 98. A set of theses approved by the presidium of the Gosplan central commission on perspective planning in March 1928 took the view that the development of private capital should be facilitated "in those industries where it can really help to attract the sleeping natural resources and productive forces of the country into economic life and to eliminate the goods famine and unemployment" (R. Vaisberg, *Printsipy i Metodologiya Perspektivnogo Planirovaniya* (n.d. [1928]), p. 8); for Vaisberg, the author of the theses, see p. 325 above.

³ R. Vaisberg, *Printsipy i Metodologiya Perspektivnogo Planirovaniya* (n.d. [1928]), p. 19, where Vaisberg distinguished between "direct planning" of the socialized sector and "control" of the private economy; he defined "control" as "methods of indirect pressure, mainly through economic measures".

⁴ *Ekonomicheskii Byulleten' Kon'yunkturnogo Instituta*, No. 11-12, 1927, pp. 7, 63-71.

⁵ See Table No. 15, p. 950 below.

scale" urban and rural industries.¹ At the end of 1926, about three and a half million people worked in small-scale industry, or nearly 60 per cent of the total industrial labour force.² Statistics of production are less precise. According to a Gosplan estimate, the gross production of small-scale industry, measured in 1913 prices, amounted to 1860 million rubles in the year 1925-1926 as against 2040 millions in 1913, and small-scale industry was responsible for 25 per cent of industrial production in 1925-1926 as against 24 per cent in 1913.³ Small-scale industry was largely consumer goods industry. It produced as much as seventy per cent of all clothing and footwear and 43 per cent of all processed foodstuffs; it was also important in some producer goods industries such as brick manufacture and metal-working.⁴

The most precise information available on the structure of small-scale industry derives from a Union census of small-scale industry carried out at the end of 1929 and beginning of 1930 and referring to economic units in operation in the year 1928-1929.⁵ The census confirmed that small-scale industry was mainly rural in character: 861,000 of its workers lived in towns and 3,565,000 in the countryside; 15 per cent of the urban workers and 89 per cent of the rural workers retained a connexion with agriculture. It was also highly seasonal—only 24.1 per cent of workers were employed in industry for 26 or more weeks a year; and even in the towns this figure rose only to 62 per cent. Part of small-scale industry was, however, fairly highly concentrated in certain areas, and was distinguished in the statistics as "clustered" (*gnezdovaya*) industry. Clustered industry employed 26 per cent of the total labour force in small-scale industry; a total of 3175 "clusters" employed an average of 371 workers each, the largest clusters being in cotton and silk textiles and in the knife, lock and tool industries.⁶

¹ For earlier developments, see *Socialism in One Country, 1924-1926*, Vol. 1, pp. 357-362; for the term "small-scale industry", see Note D, p. 934 below.

² *Narodnoe Khozyaistvo SSSR* (1932), pp. 88-91.

³ For these figures see Table 12, p. 947 below; other calculations suggest that its production was rather lower (see p. 397, note 1 below).

⁴ *Sovetskoe Narodnoe Khozyaistvo v 1921-1925 gg.* (1960), p. 199.

⁵ For this census see Note D, p. 936 below; for its main results see *Narodnoe Khozyaistvo SSSR* (1932), pp. 84-117, 647-650.

⁶ A "cluster" was defined as (a) in the countryside, as an inhabited point or group of adjacent settlements where at least 50 units were engaged in production of the same kind or in a group of production processes interconnected

Some small-scale private firms existed, but the number of persons employed in them in 1925-1926 was only 74,000.¹ The overwhelming majority of enterprises classified as small-scale industry were primary producers of the artisan or handicrafts type.² They were normally family concerns and the work was often carried out in the cottage or rooms in which the family lived. These independent producers also often came under the control of nepmen. Since July 1923, those working at home for private employers under the putting-out system had been designated as "employed labour" within the terms of the labour code, and were therefore entitled to the rights and benefits of the code. As a result, private *entrepreneurs* closed their workshops and promoted their former employees to the status of independent producers. These artisans became licence-holders (*patentshchiki*) as producers in their own right, but remained in effect under private control, the former employer supplying them with materials and selling their products. A Vesenkha study pointed out that strict state control of wages and working conditions in private industry "played a dominant part in leading private industry to adopt illegal forms, to dissolve industrial enterprises fictitiously, to put work out to domestic workers, to establish fictitious *artels*".³

by division of labour; and (b) in towns, rather more vaguely, as a concentration of small producers in a definite part of the town (*Narodnoe Khozyaistvo SSSR* (1932), p. 649).

¹ *Kontrol'nye Tsifry Narodnogo Khozyaistva SSSR na 1927-1928 god* (1928), p. 357.

² Both before and after the revolution economists and statisticians attempted to distinguish between "kustarnaya promyshlennost'" (translated in the present work as artisan industry), in which the primary producer worked for a distant market, and "remeslo" (handicrafts) in which he worked direct for the customer or client, often using the customer's own material; both *kustari* (artisans) and *remeslenniki* were presumed on this definition to work only with their own families and with no hired labour. In the nineteen-twenties the term "*kustar*" was in practice often used to include all types of urban and rural handicrafts. For these definitions, and a discussion of difficulties in applying them, see A. Ginzburg, *Ekonomika Promyshlennosti*, i (1925), 279; *Balans Narodnogo Khozyaistva SSSR 1923-24 goda* (*Trudy Tsentral'nogo Statisticheskogo Upravleniya*, xxix) (1926), p. 177. As early as 1897, Lenin wrote "we consider it useless to argue about the meaning of the word '*kustar*', for . . . no form of industry (apart from machine industry) is excluded from this traditional term, which is absolutely worthless for scientific research" (Lenin, *Sochineniya*, ii, 198).

³ *Chastnyi Kapital v Narodnom Khozyaistve SSSR*, ed. A. Ginzburg (1927), pp. 216, 238-248.

The legislation restricting capitalist forms of organization thus led to a reversal of the pre-revolutionary process by which the putting-out system was replaced by workshops. Larin calculated that in 1927 almost a quarter of the gross production of artisans was produced on a putting-out basis.¹ The production of artisans working for a distant market was normally under the control of private merchants in the middle nineteen-twenties.² Work in these under-capitalized crafts was badly paid and hours were long, but the artisan had no other source of livelihood, and often co-operated with the nepman in the evasion of regulations.³

While a substantial number of artisans were directly or indirectly under the control of nepmen, others belonged to industrial cooperatives.⁴ On October 1, 1926, 336,000 of a total of three-and-a-half million artisans belonged to 5800 primary cooperatives affiliated to the official Union of Industrial Cooperatives, Vseko-promsoyuz, or its Ukrainian equivalent. Most of these primary units were producer *artels* responsible for controlling all the production of their members; some of them had a common workshop, others controlled a group of family workshops; some dealt only with supplies and sales. In addition to the official cooperatives, there were a large number of independent or "wild" (*diki*) industrial cooperatives, whose membership was not precisely known; one estimate put it at 364,000, bringing the number of artisans in cooperatives on October 1, 1926, to 700,000 or one-fifth of the total number of artisans.⁵ Doubt was often expressed

¹ Yu. Larin, *Chastnyi Kapital v SSSR* (1927), pp. 119-120.

² *Kontrol'nye Tsifry Narodnogo Khozyaistva SSSR na 1927-1928 god* (1928), pp. 357-358. It was reported that the overwhelming majority of the 18,000 artisan metal-workers in Moscow province sold their output to dealers (*skupshchiki*) or "small bosses" (*khozyaichiki*); that private traders monopolized the samovar, hunting rifle and iron-ware industry of Tula; and that in one rural area nine women dealers each controlled a thousand lace-makers, but had been difficult for Narkomfin to track down (*Bol'shevik*, No. 15-16, August 31, 1926, pp. 57-58). Larin estimated that several hundred thousand artisans were controlled by nepmen who supplied them with materials and money and handled their sales (*SSSR: 4 S"ezd Sovetov* (1927), pp. 141-142).

³ *Bol'shevik*, No. 14, July 30, 1926, p. 40; No. 15-16, August 31, 1926, pp. 58-59; Yu. Larin, *Chastnyi Kapital v SSSR* (1927), pp. 149-151.

⁴ For the earlier history of the industrial cooperatives see *Socialism in One Country, 1924-1926*, Vol. 1, pp. 360-361. For industrial cooperatives classified with census industry see p. 385, note 4 above.

⁵ *Kontrol'nye Tsifry Narodnogo Khozyaistva SSSR na 1928-1929 god* (1929), pp. 101-105; an estimate for the RSFSR gave a much smaller number of arti-

about the extent to which the industrial cooperatives were genuine socialist organizations.¹ It was argued that the independent cooperatives in particular were often "bogus cooperatives", in which private capitalists used the cooperative form of organization to enable them to hire labour unofficially.² By forming bogus cooperatives, private capitalists were able to evade the regulations limiting the number of hired workers in a private enterprise and to take advantage of the exemptions given to cooperatives; moreover, cooperatives were not subject to the controls over wages, hours and conditions which operated in private industry.³ After the drive against private trade in the spring of 1927 former nepmen established bogus artisan cooperatives in order to resume their activities as merchants.⁴ Larin went so far as to suggest that "the overwhelming majority of 'labour *artels*'", including those belonging to the official cooperative unions, were "of a capitalist nature"; in such cases, owing to the absence of control of hours and conditions, "we are in *pre-Soviet times*" with a system of sweated labour.⁵ Moreover, part of the production of the industrial cooperatives was sold, not to the consumer cooperatives or the state trading organizations, but to the private trader.⁶ In 1928 and 1929, first in Moscow and then in the provinces, campaigns

sans in independent cooperatives (*Kontrol'nye Tsifry Narodnogo Khozyaistva SSSR na 1927-1928 god* (1928), p. 377).

¹ For similar doubt about the agricultural cooperatives see pp. 149-152 above.

² According to one report, over 47 per cent of all workers engaged in production in industrial cooperatives in 1925 were hired (Yu. Larin, *Chastnyi Kapital v SSSR* (1927), pp. 116-117).

³ *Ibid.* pp. 151-155; *Chastnyi Kapital v Narodnom Khozyaistve SSSR*, ed. A. Ginzburg (1927), pp. 220-236. In 1927, the control figures made a clear distinction between those independent cooperatives which were "a concealed capitalist organization" and those "which are not in essence capitalistic and can be brought into the [cooperative] unions" (*Kontrol'nye Tsifry Narodnogo Khozyaistva SSSR na 1927-1928 god* (1928), p. 377).

⁴ *Kontrol'nye Tsifry Narodnogo Khozyaistva SSSR na 1928-1929 god* (1929), pp. 103-104; see also *Bol'shevik*, No. 11-12, June 15, 1927, p. 78.

⁵ *Ibid.* No. 11-12, June 15, 1927, pp. 82-86. Frumkin, deputy People's Commissar for Finance, was said to have estimated that at least two-thirds of all industrial cooperatives were bogus; some responsible Vesenkha officials put the figure as high as 80 per cent (Yu. Larin, *Chastnyi Kapital v SSSR* (1927), p. 117).

⁶ *Torgovo-Promyshlennaya Gazeta*, October 13, 1926, gave a figure of 21 per cent; cases were cited in which private traders handled most of the production of the independent cooperatives, or in which cooperatives were dominated by former merchants or by wealthier producers who received most of the earnings (A. Fabrichny, *Chastnyi Kapital na Poroge Pyatiletki* (1930), p. 25).

were organized to break up the bogus cooperatives ; but it was claimed that " until the end of 1928-1929 information was still being received from the provinces about the activity of private cooperatives and the development and prosperity of bogus cooperatives ".¹

Artisan industry, unlike other private industry, enjoyed official support. On May 3, 1927, a decree of Sovnarkom stressed that handicrafts and the artisan industries were of " tremendous importance ", and should be helped as much as possible ; it instructed Vesenkha to make arrangements for the regular planned supply of metal, leather, cotton, fibre and wool to these industries.² In December 1927 the fifteenth party congress reaffirmed this demand :

In compiling the five-year plan, the development of *local small-scale industry*, both artisan and handicraft industry, must be borne in mind. It is at present a completely necessary supplement to large-scale industry and assists in the elimination of the goods shortage and the reduction of unemployment.³

On May 21, 1928, a long decree of Sovnarkom again stressed the " great importance " of the artisan and handicrafts industries and listed a variety of measures designed to enable them to increase their production.⁴ The same stand was taken, in words at least, by successive presidents of the Vesenkha of the USSR. At the fourteenth party conference in April 1925 Dzerzhinsky attacked those who had treated the artisan metal industry as " competitors and enemies " — this was " a fundamentally wrong position " ;⁵ at the session of the TsIK of the USSR in October 1927 Kuibyshev declared firmly that " a decisive struggle must be waged against the contemptuous attitude to handicrafts and to the artisan industries ".⁶

Strong differences of opinion, however, lurked behind these official statements. Central planning tended to be inimical to small-scale industry, which more easily eluded its control. The

¹ A. Fabrichny, *Chastnyi Kapital na Poroge Pyatiletki* (1930), pp. 38-41.

² *Direktivny KPSS i Sovetskogo Pravitel'stva po Khozyaistvennym Voprosam*, i (1957), 699-707 ; *Kontrol'nye Tsifry Narodnogo Khozyaistva SSSR na 1927-1928 god* (1928), p. 54.

³ *KPSS v Rezolyutsiyakh* (1954), ii, 459.

⁴ *Sobranie Zakonov*, 1928, No. 30, art. 267.

⁵ *Chetyrnadtsataya Konferentsiya Rossiiskoi Kommunisticheskoi Partii (Bol'shevikov)* (1925), p. 166.

⁶ *2 Sessiya Tsentral'nogo Ispolnitel'nogo Komiteta Soyuzov SSR i Sozyva* (n.d. [1927]), p. 339.

Osvok volume on agriculture bluntly declared that "as large-scale industry expands, small-scale industry will have to give way to it".¹ The Gosplan draft of the five-year plan completed in the spring of 1927 was criticized for greatly underestimating the possibilities of artisan production.² The second Vesenkha draft of the same period, while agreeing that small-scale industry should still play "a large part", strongly supported large-scale industry and declared that "the development of large-scale industry should be much faster than the development of small-scale production". It claimed that all artisan industry had "a completely inevitable tendency" to give rise to large enterprises: it was "unsuitable in modern conditions of technology to preserve small enterprises using primitive tools of labour"; all large-scale industry must "force technical progress to the full extent of its economic profitability", even if this drove out some artisan production.³ Shortly after this uncompromising document appeared, Rykov, at a meeting of STO and Sovnarkom in the spring of 1927, strongly criticized a draft resolution submitted by Vesenkha on the ground that it treated the goods shortage as the sole argument in favour of the artisan industry: this gave a "wrong definition of the place and function of artisan industry in our economy". Artisan industry often did not compete with large-scale industry, and made possible a saving of scarce capital; Vesenkha policy in relation to it had often been mistaken.⁴ Early in 1928, a resolution of the Vesenkha of the RSFSR attempted to reconcile the interests of the artisans with those of large-scale state industry by distinguishing crafts which did not use scarce materials, and which should be given strong support, from those competitive with large-scale industry: an intermediate category should be allowed to develop "in strict conformity with the growth of state industry and the requirements of the market".⁵

¹ *Materialy Osobogo Soveshchaniya po Vosstanovleniyu Osnovnogo Kapitala pri Prezidiume VSNKh SSSR*, Seriya III, ii (1927), 16-24; for this volume see p. 29, note 2 above.

² *Bol'shevik*, No. 10, May 31, 1927, pp. 44-46.

³ *Materialy k Pyatiletnemu Planu Razvitiya Promyshlennosti SSSR (1927/28-1931/32 gg.)* (1927), pp. 48-50; for these Gosplan and Vesenkha drafts see pp. 854-865 below.

⁴ *Pravda*, May 8, 1927.

⁵ *Torgovo-Promyshlennaya Gazeta*, February 28, March 21, 1928; *Melkaya i Remeslennaya Promyshlennost' Vyatskoi Gubernii*, i (1929), 65-66. A similar approach was suggested two years earlier in *Torgovo-Promyshlennaya Gazeta*,

In practice, the artisan industries were almost always neglected by Vesenkha. As Groman put it in June 1927, "correct mutual relations between state industry and small-scale artisan industry still lie in the future".¹ The squeezing out of artisans by factory industry continued in new circumstances the struggle which had been taking place between private capitalist industry and the artisans for several decades before the first world war. Many examples were cited in the economic press in the middle and late nineteen-twenties of the establishment or extension of state-owned factories in competition with artisans; the replacement of artisan by factory industry often ran counter to the official policy of encouraging artisan industries which did not use scarce materials or which complemented large-scale industry. State policy was unable to prevent some switch of consumer demand to factory-made production from such artisan industries as the production of wooden and clay utensils.² Nor did the state in practice prevent the expansion of production of footwear and other consumer goods by state-owned factories at the expense of the artisan.³ Throughout the discussions on future developments, spokesmen for artisan industry and for the industrial cooperatives continued to claim heatedly that such switches to factory industry were wasteful of resources.⁴

The position of the artisan industries was considerably influenced by changes in official attitudes towards the private sector as a whole.⁵ Stalin, in his report to the fifteenth party congress in December 1927, recommended a study of Larin's

April 27, 1926. For further discussion of possible lines of demarcation between state industry and the artisan see *Puti Industrializatsii*, No. 18, 1928, pp. 63-64; *Ekonomicheskoe Obozrenie*, No. 2, 1930, pp. 80-81.

¹ *Planovoe Khozyaistvo*, No. 7, 1927, p. 129.

² For the decline of the artisan pottery industries in one province see *Melkaya i Remeslennaya Promyshlennost' Vyatskoi Gubernii*, i (1929), 62-69; in the USSR as a whole, the numbers employed in these industries expanded slightly from 88,000 in 1926-1927 to 91,000 in 1928-1929 (*Narodnoe Khozyaistvo SSSR* (1932), pp. 88-91).

³ See *Torgovo-Promyshlennaya Gazeta*, August 5, 20, 1927.

⁴ For example, the president of Vsekopromsoyuz claimed that, whereas investment of 24 million rubles by Vesenkha in the footwear industry would yield an output of only 17 million rubles a year, the industrial cooperatives could produce ten times this output a year with an investment of only 13 million rubles (*ibid.* April 5, 1929).

⁵ For government policy towards private census industry and private trade see pp. 387-389 above and 667-674 below.

book on the rôle of private capital :

I recently read comrade Larin's book *Chastnyi Kapital v SSSR* [Private Capital in the USSR] which is interesting in every respect. I would recommend comrades to read this little book. You will see from it how cunningly and ably the capitalist hides behind the flag of the industrial cooperatives and the flag of certain state trading bodies. Is everything done to limit, reduce and finally squeeze out the capitalist elements from the economy ? I think not. I know, for example, that in the artisan industries in general, and in the leather and textile industries in particular, there are quite a few new millionaires who are enslaving the artisans and the small producers as a whole. Is everything done to encircle and drive out by economic means these exploiting elements which form the link between the artisans and the cooperative or state organs ? There is little doubt that what is done in this matter is insufficient. But this is an important problem for us.¹

Though the drive against private industry and trade in 1927 and 1928 had the effect of squeezing the artisan industries as well as private capital, it does not appear to have been deliberately directed against the artisan. The squeeze was rather the unintended, or only partly intended, result, in a particular economic environment and organizational framework, of assuming that large-scale industry should have priority, and that the influence of private capital on the artisans was strong and dangerous. One result of these assumptions was that in many industries the artisan, already kept short of supplies in the middle nineteen-twenties, bore the main burden of worsening shortages of goods and materials.² Supply difficulties provided the opportunity for speeding up the process of the encroachment of factory industry

¹ Stalin, *Sochineniya*, x, 311 ; adding together the output of small-scale private enterprises which openly hired labour, of the "bogus cooperatives", and of artisans working for private capitalists, Larin calculated that in 1925-1926 nearly half the production of small-scale industry, or 8.3 per cent of total gross industrial production, should properly be placed within the capitalist sector, in addition to the 3.4 per cent of total industrial production for which private census industry was responsible in that year (Yu. Larin, *Chastnyi Kapital v SSSR* (1927), p. 121).

² Representatives both of the Vesenkha of the RSFSR and of Gosplan claimed in May 1928 that supplies to the artisan had improved (*Torgovo-Promyshlennaya Gazeta*, May 24, 1928) ; but no other confirmation of this has been traced.

on the artisans. When control of an essential material was exercised by Vesenkha, state industry was favoured. In 1926-1927 and 1927-1928, allocations of metal to artisan industries were cut back far more severely than allocations to state industry, and, as might be expected, the artisans tended to get unsatisfactory grades and qualities of metal.¹ Discrimination against the artisan was not confined to metal-working. In Bashkiria, in order to obtain supplies for the state, "almost all the artisan leather industry in a number of regions" was closed on the pretext of bad sanitary conditions. In this case, the presidium of VTsIK of the RSFSR resolved that the artisans should be permitted to begin work again. But this was not an isolated incident: by July 1928 over 5000 artisan leather workshops had been closed in the RSFSR.² Other incidents were reported in which small workshops were closed and their equipment transferred to state factories; this sometimes led to "women's riots" (*bab'i bunty*).³ In October 1928, Grinko reported to the fourth Gosplan congress that during the year 1927-1928, "as a result of the shortage of raw materials, small-scale artisan and private industry was squeezed out contrary to our planning".⁴ The drive against the private trader further worsened the position of the artisan industries. The state trading organizations which replaced the private trader tended not to bother with the small orders of the artisan. Private trading firms, which sometimes had a network of agents to buy up artisan products from the villages, were closed, and no adequate organization was set up to replace them. As a result, a large number of artisans became unemployed in the metal industry.⁵

Official policy towards the industrial cooperatives sharply distinguished between the "independent" and the official cooperatives; and the latter received strong and increasing support. On May 3, 1927, the decree of Sovnarkom which stressed the importance of small-scale industry at the same time insisted

¹ *Torgovo-Promyshlennaya Gazeta*, June 23, 1926, August 9, November 1, 1927; characteristically, a meeting called on Mezhlauk's initiative to discuss the improvement of metal supplies to the artisans proposed that they should be supplied with defective metal and with old machines which had previously gone for scrap (*ibid.* November 1, 1927).

² *Pravda*, July 19, 1928; sales of cotton to artisans also ceased (*Torgovo-Promyshlennaya Gazeta*, August 8, 1928).

³ *Torgovo-Promyshlennaya Gazeta*, February 3, 1928.

⁴ *Ibid.* October 12, 1928.

⁵ *Ibid.* January 29, 1928.

that small-scale cooperative industry must be encouraged, and that industrial cooperatives should be given more assistance in respect of sales, supplies, and improved credit facilities.¹ Sales and supplies were increasingly channelled through the official industrial cooperatives in order to put pressure on individual artisans and independent cooperatives to join them.² On May 21, 1928, Sovnarkom resolved that a particular effort should be made to increase the number of artisans belonging to industrial cooperatives in those crafts in which private capital was strong, and that the state should cease to buy through private traders the products of artisans who were not in cooperatives.³ On September 3, 1928, the party central committee declared that sufficient attention was still not paid to the industrial cooperatives: on the one hand, state industry must be prevented from taking them over; on the other hand, the artisans must be brought into them.⁴ On September 26, Sovnarkom established a Union council, Vsekopromsovet, to coordinate the work of the republican industrial cooperative organizations and to represent their interests at Union level.⁵ During 1928-1929, the number of members of industrial cooperatives increased substantially.⁶ In that year industrial cooperatives were responsible for about a third of the gross turnover of small-scale industry. Only a third of the artisans in the industrial cooperatives worked in common workshops, though these were responsible for two-thirds of the production of industrial cooperatives; the remainder continued to work at home.⁷ But, in spite of all efforts, the industrial cooperatives had not by the summer of 1929 incorporated a majority of individual artisans.

The artisan industries proved surprisingly resilient in the face

¹ For this decree see p. 394 above; on May 11, 1927, TsIK and Sovnarkom adopted a statute for the industrial cooperatives (*Direktivy KPSS i Sovetskogo Pravitel'stva po Khozyaistvennym Voprosam*, i (1957), 708-715).

² *Torgovo-Promyshlennaya Gazeta*, February 15, 1928.

³ For this decree see p. 394 above.

⁴ *Pravda*, September 16, 1928.

⁵ *Sobranie Zakonov*, 1928, No. 62, art. 567.

⁶ According to the 1929 census of small-scale industry, the industrial cooperatives had about 725,000 members in 1928-1929 (*Narodnoe Khozyaistvo SSSR* (1932), p. 96); according to another source, however, the membership increased from 599,000 on October 1, 1927, to 1,004,000 on October 1, 1928, and 1,460,000 on October 1, 1929 (*Promyslovaya Kooperatsiya SSSR v 1929/30 god* (1931), p. vii).

⁷ *Narodnoe Khozyaistvo SSSR* (1932), p. 96.

of difficulties. Between 1926 and 1929, while the increase in production was much less rapid in small-scale industry than in census industry, some increase seems to have occurred.¹ The general shortage of consumer goods ensured a ready market for artisan products in spite of shortages of raw materials and restricted trading facilities. As late as the end of 1928 and the spring of 1929, long-term plans were based on the assumption that small-scale industry would continue to expand. The December 1928 draft of the five-year plan produced by Vesenkha proposed an increase in the number of artisans from 4.1 to 6.3 millions; numbers employed were to fall only during the second five-year plan.² The planned increase in numbers employed was far more rapid in artisan industry than in census industry: artisan industry was still seen as a major means of reducing urban unemployment and rural underemployment. At the sixteenth party conference in April 1929, Kuibyshev even suggested that artisan production could double during the five-year plan;³ and the published version of the plan proposed an increase of 50 per cent.⁴ At the fifth Union Congress of Soviets in May 1929, Kalinin argued that the consumer and agricultural cooperatives should encourage the development of artisan production in the countryside to supply peasant needs.⁵ The drastic general decline of the artisan industry did not take place until 1930.

¹ See Table No. 12, p. 947 below; according to the Central Statistical Administration, gross turnover of small-scale industry, excluding flour-milling, expanded from 3.05 milliard rubles in 1926-1927 to 3.44 milliards in 1928-1929 — an increase of 12.8 per cent (*Narodnoe Khozyaistvo SSSR* (1932), p. 88); for the term "gross turnover" see Note D, p. 936 below. The number of persons recorded as working in small-scale industry increased from 3.5 millions in 1926 to 4.4 millions in 1929 (see p. 390 above); these figures may not be strictly comparable.

² *Puti Industrializatsii*, No. 5-6, 1929, pp. 37 ff.; a previous version of the plan had proposed a much smaller increase in the number of artisans (*ibid.* No. 18, 1928, p. 58). For the Vesenkha draft of December 1928 see pp. 881-883 below.

³ *Shestnadtsataya Konferentsiya VKP(B)* (1962), p. 65.

⁴ *Pyatiletnii Plan Narodno-Khozyaistvennogo Stroitel'stva SSSR* (1929), ii, ii, 84.

⁵ *SSSR: 5 S'ezd Sovetov* (1929), No. 19, pp. 2-3.

CHAPTER 16

THE RESHAPING OF INDUSTRY

THE policy of industrialization implied that industrial production and the level of investment in industry would increase both absolutely and in relation to the other major sectors of the economy; the policy of priority for agriculture had been finally rejected. When Gosplan in its control figures for 1926-1927 described "the essence of the process of industrialization" as being "the increase of the relative weight of industry at the expense of the relative weight of agriculture",¹ this was already no more than a commonplace. The progress of Soviet industry was extremely rapid. According to official figures, the production of census industry in 1928-1929 was more than 70 per cent higher in real terms than it had been in 1925-1926, three years previously; total industrial production, including the production of small-scale industry, increased during the same period by about 55 per cent.² This rate of growth compared favourably with Russian industrial development before the revolution, or indeed with that of any country up to that time. Some allowance must be made for the final stage of the recovery from world war and civil war reflected in these figures, which were partly the result of bringing spare capacity into use; achievements in this respect were substantially greater than had been thought possible in 1925 and 1926.³ But over four-fifths of the increase was the result of

¹ *Kontrol'nye Tsifry Narodnogo Khozyaistva na 1926-1927 god* (1926), p. 169.

² See Table No. 12 (b), p. 947 below. These calculations are in 1913 prices; the rate of growth was even higher when measured in 1926-1927 prices (see Table No. 13, p. 948 below).

³ See pp. 273-275 above. The proportion of industrial capacity in use in Union trusts and in the republican trusts of the RSFSR and Ukrainian SSR rose from 86.5 per cent in October 1925 to 94.0 per cent at the end of September 1928; the proportion in use at the latter date varied from 87.7 per cent in electrical engineering to 100 per cent in several industries, including electric power and printing (*Ekonomicheskoe Obozrenie*, No. 10, 1929, pp. 119, 134).

capital investment.¹ In 1928-1929, annual investment in census industry was approximately twice as large as it had been in 1925-1926, when it was already as large in real terms as in 1913.² The stock of fixed capital increased much more rapidly in industry and electrification than in the other main sectors of the economy.³ To promote the expansion of industry had become the main pre-occupation of economic policy. Industrialization rested on two distinct, though closely interrelated, decisions: first, that the Soviet economy, and in particular its industry, should make itself in the shortest space of time self-sufficient and independent of the capitalist world; secondly, that industrialization should be based on the introduction into the Soviet economy of the most advanced western technology.

(a) Self-sufficiency

The first world war and its sequel encouraged in the leading industrial nations a move towards policies of national self-sufficiency. In the Soviet Union this trend was fostered by the sense of isolation in a hostile capitalist world from which little economic assistance could be expected. The goal of "economic self-sufficiency", specifically proclaimed by the resolution on industrialization of the fourteenth party congress in December 1925, was reaffirmed by the resolution of the central committee in April 1926:

The party and the state must take systematic measures to liberate our economy from its dependence on capitalist countries, which has become especially conspicuous in the present year, when the national economy, having utilized all the technique inherited by it from the pre-revolutionary epoch, has come to the end of the restoration period.⁴

In the next three years, the principle was not seriously challenged. Sokolnikov within the party and Kondratiev outside it repeated

¹ The increase in effective capacity in industry due to the employment of existing spare capacity was about 8.5 per cent from October 1925 to September 1928 (see previous note); the net addition to the stock of fixed capital in industry in the same period was about 40 per cent (see Table No. 48, p. 980 below).

² See pp. 274-275 above and Table No. 17, p. 952 below.

³ See Table No. 48, p. 980 below.

⁴ For these resolutions see p. 276 above; the resolution of the central committee listed cotton-growing and sheep-rearing, as well as iron and steel, non-ferrous metals and engineering, as requiring "maximum attention".

from time to time the familiar argument that agricultural production and agricultural exports should be developed as a first priority in order to pay for imports of industrial equipment.¹ Bazarov in Gosplan advocated concentration of effort on industries in which mass production for sale at home and for export was immediately possible.² None of these arguments was taken seriously by the Soviet leaders, who believed that an isolated socialist country could not risk long-term dependence on world capitalist industry. On one occasion Vesenkha passed a resolution calling for the maximum return on investment, and even for the concentration of investment on factories "which can face competition with technologically advanced countries, or at least approach close to their performance".³ If put consistently into practice, this requirement would have implied a curtailment of the programme of developing new engineering and other industries. But no such conclusion was drawn, and during the later nineteen-twenties increasing emphasis was placed on the programme of industrial self-sufficiency. The Soviet leaders did not, of course, expect an immediate cessation of imports of foreign industrial products. The rapid expansion of industry and the widening of the range of industries resulted in an increase in the quantity, variety and complexity of the capital equipment and other supplies which were required. Kuibyshev admitted at the fourth Union Congress of Soviets in April 1927 that, while engineering production would increase, imports would continue for a long time, and would increase year by year.⁴ The standard view in Vesenkha was well summarized in the journal of Glavmetall:

In order to utilize fully all the achievements of the technology of advanced countries, the import plan of industry should in the main include only tried and tested equipment of the most up-to-date models of foreign technology; this equipment will be required in our new industrial construction over a long period. At the same time, each completed stage of this construction

¹ G. Sokolnikov, *Finansovaya Politika Revolyutsii*, iii (1928), 69-81 (this speech of March 1926 is wrongly dated March 1927); *Torgovo-Promyshlennaya Gazeta*, November 4, 1926; and see p. 873 below.

² *O Pyatiletnem Plane Razvitiya Narodnogo Khozyaistva SSSR: Diskussiya v Kommunisticheskoi Akademii* (1928), pp. 75-76; see also pp. 788-789 below.

³ *Ekonomicheskaya Zhizn*, February 27, 1927; for the return on investment see also pp. 784-785 below.

⁴ *SSSR: 4 S"ezd Sovetov* (1927), p. 382.

will reduce the general need for industry and for the economy of the USSR as a whole to import machinery from abroad.¹

While other industries, such as chemicals and non-ferrous metals, were also involved in the attempt to make the Soviet Union self-sufficient, the "machine-building" or engineering industries² were at the heart of the programme. The resolution of the fourteenth party congress³ specifically proposed that it should be converted "from a country that imports machines and equipment into a country that produces machines and equipment". The importance of the rapid development of the engineering industry was frequently stressed in statements by the party and government. The fifteenth party conference in October 1926 "set before state and economic bodies the objective of the most rapid development of *engineering*", and proposed that the best technologists and "communist administrators" should be transferred to the industry.⁴ In February 1927, the session of the central committee of the party called for more investment in the iron and steel and engineering industries, and asked STO to work out measures which would increase the proportion of Soviet-produced capital equipment and reduce the dependence of capital construction on imported equipment.⁵ At the fourth Union Congress of Soviets in April 1927 Kuibyshev reiterated the view that to rely solely on foreign imports of engineering products would be wrong. Even if imports were half the price of production at home, the resulting advantages "would be only apparent"; "we should suffer for it in later years when our dependence on foreign countries did not fall, but increased still more":

¹ *Metall*, No. 12, 1928, p. 63; see also Kvirin's remarks on the need to import tractors in G. Krzhizhanovsky and others, *Osnovnye Problemy Kontrol'nykh Tsifr Narodnogo Khozyaistva na 1928/29 god* (1929), p. 94.

² In the current classification of industries, the term "engineering" covered the production of machinery and other capital equipment for industry, transport and agriculture, and thus included ploughs, ships and locomotives as well as machine tools and blast-furnaces. The discussion below also covers the electrical industry (*elektrotehnicheskaya promyshlennost'*), including both electrical engineering and electrical supplies, which came under a separate head in the classification.

³ See p. 276 above.

⁴ *KPSS v Rezolyutsiyakh* (1954), ii, 305; for this resolution see p. 288 above.

⁵ *KPSS v Rezolyutsiyakh* (1954), ii, 343-344; for this resolution see pp. 290-291 above.

We shall now follow perhaps a slower but steadier rate of growth, securing in the future an acceleration about which we cannot now even dream.¹

The need to expand Soviet production of machinery was a major theme in the course of the preparation of the five-year plan.²

Most of these industries scarcely existed. Pre-revolutionary Russia had produced locomotives and rolling stock and some agricultural implements and machinery, but only a limited range of capital equipment for industry. The production of machine tools and textile machinery was extremely small; the main types of capital equipment for the iron and steel industry, and the more complex electrical machinery, were not produced at all within the Russian Empire: over 45 per cent of all capital equipment was imported in 1913.³ Between 1917 and 1924, world-wide advances in engineering passed Russian industry by, and its capital stock drastically deteriorated. Much of the capital equipment in engineering factories was out of date: in 1927 it was estimated that 30 per cent of machine tools required immediate replacement, and several major engineering works reported that their machine-tools were so old and unreliable that they could be handled only by "old-timers".⁴ When new types of engineering production were introduced in the middle nineteen-twenties, existing factories needed thorough reorganization; many shops were extensively re-equipped. According to a report from Vesenkha to STO, in many existing shops "attempts to start production of accurate

¹ *SSSR : 4 S"ezd Sovetov* (1927), pp. 230-231; a resolution of the congress stressed the importance of the engineering industry (see pp. 294-295 above).

² The second Vesenkha draft of the five-year plan, published in the summer of 1927 (see pp. 862-864 below), gave seven reasons for producing agricultural machinery and implements at home, even though their prices were 100-150 per cent higher than the foreign price: (1) some items were not produced abroad; (2) in some cases transport costs would be higher than the difference between prices of home and foreign production; (3) as the industry developed, its costs and prices would fall; (4) the foreign currency required for extra imports could not be obtained because an equivalent increase in exports was impossible; (5) it would be expensive to equip railways and ports to handle these imports; (6) the industry was necessary to the USSR from the defence point of view; (7) the industry was needed in order to help absorb the surplus agricultural population (*Materialy k Pyatiletnemu Planu Razvitiya Promyshlennosti SSSR (1927/28-1931/32 gg.)* (1927), p. 21). Points (3), (4) and (6) were the most substantial.

³ *Bol'shevik*, No. 4, February 15, 1927, p. 31.

⁴ *Predpriyatie*, No. 7, 1927, pp. 27-32; *Torgovo-Promyshlennaya Gazeta*, October 15, 1926.

components of modern machines resulted in a tremendous number of defective parts".¹ In spite of all these difficulties, the engineering industry possessed one great immediate advantage: a substantial amount of free capacity, amounting to between 40 and 60 per cent of its total capacity in the autumn of 1925.² Capacity was available in factories which had previously been primarily concerned with producing armaments, the most famous of which was the Putilov works in Leningrad.³ Progress could thus for a time be made by reorganizing and re-equipping existing works rather than by constructing new factories or adding major extensions to existing ones. An impressive expansion of production was obtained, even though investment in the engineering industries increased somewhat less rapidly than in other Group A industries whose needs were more urgent, such as iron and steel and building materials.⁴

The most important new development was perhaps in the electrical industry. From 1924 onwards, production of various kinds of electrical equipment, both for the growing electric power industry and for the rest of industry, expanded rapidly, and in 1927-1928 production was more than twice as large as it had been in 1913.⁵ The Elektrosila works in Leningrad provided an example of advanced developments in electrical engineering. Established in 1912 as the Russian branch of Siemens-Schuckert, with Krasin as its managing director, it had at first produced simple heavy components for German generators: after drastic reconversion in the early nineteen-twenties, it went over to making complete generators, and by 1927 its production was nearly double the pre-war level.⁶ The radio industry also expanded rapidly.⁷ Production was undertaken on an extensive scale of industrial plant and

¹ *Pervye Shagi Industrializatsii 1926-1927 gg.* (1959), p. 145.

² *Ibid.* p. 144.

³ *SSSR: 4 S"ezd Sovetov* (1927), pp. 359-361; *British-Russian Gazette and Trade Outlook*, iii (London, 1926), No. 2, p. 240.

⁴ For the increase in production see p. 413 below; for the amount of capital investment in different industries see Table No. 18, p. 953 below.

⁵ *Promyshlennost' SSSR v 1927/28 godu* (1930), p. 261; *Bol'shevik*, No. 4, February 15, 1927, p. 31.

⁶ *Predpriyatie*, No. 10, 1927, pp. 66-68; *Torgovo-Promyshlennaya Gazeta*, December 10, 17, 1927.

⁷ *Predpriyatie*, No. 10, 1927, p. 75; a Leningrad engineer named Terman was reported to have solved the problem of "transmission of images over a distance".

machinery not previously manufactured in the USSR, including textile machinery, coal-mining equipment, and drills, pipes and pumps for the oil industry.¹ The total production of industrial plant and machinery more than doubled between 1925-1926 and 1928-1929.

Two major groups of engineering products in which pre-revolutionary Russia had been weak were seen as particularly essential to Soviet self-sufficiency: heavy capital equipment, especially for the iron and steel industry, and machine tools, which were the essential equipment for the engineering industry itself. In both industries developments were slow. The production of heavy capital equipment required a major investment. The construction of a new factory was undertaken, after many delays, at Sverdlovsk;² but the works did not come into production till 1933. Some new facilities were provided for the production of machine tools; but in the initial stages the basic problem appears to have been the absence of experienced engineers and skilled designers. Though production of machine tools expanded rapidly,³ in 1928-1929 it met only a small fraction of the requirements even of the existing engineering industry. The five-year plan proposed that immediate efforts should be concentrated on machine tools which could be produced in large batches with the aim of replacing all imports of these types by 1933; while some experience would be acquired in the production of specialized machine tools, this would primarily be postponed till the second five-year plan.⁴

The most widely publicized developments were in agricultural engineering. In Soviet statistics and documents, the term "agricultural engineering" referred to the manufacture of hand implements and horse-drawn and machine-drawn equipment, but did not include the tractors providing mechanical power; in these years, most effort was in fact concentrated on producing implements and other simple equipment which would improve the efficiency of small-scale private agriculture without involving a radical

¹ E. Larina i Yu. Larin, *Voprosy Rabochei Zhizni* (1928), pp. 47-49; and see the account of the Krasnoe Sormovo works in *Torgovo-Promyshlennaya Gazeta*, September 29, 1927.

² See pp. 436-437, 442-443 below. ³ See Table No. 16, p. 951 below.

⁴ *Pyatiletnii Plan Narodno-Khozyaistvennogo Stroitel'stva SSSR* (1929), ii, i, 161.

change in its structure.¹ The production of the industry increased rapidly: in 1928-1929 it was reported to be two-and-three-quarter times as great as in 1913.² This expansion was partly achieved by the more intensive use of capacity: production was concentrated into the larger factories, and in the most important of them mass production methods were introduced. But substantial investments were also made in extensions to factories; investments amounting to about a quarter of the value of the fixed assets of the industry had been made by October 1927.³ The construction of a large new factory for the production of agricultural implements at Rostov-on-Don was begun in 1925 and continued throughout this period.

The campaign for self-sufficiency in the means of production encountered resistance from the user industries for several reasons. First, prices of Soviet-produced machinery and equipment were on an average more than double those of similar foreign products.⁴ Secondly, foreign equipment tended to be more up to date and of higher quality. Even in the electrical engineering industry, where the quality of production was generally reported to be reasonably high and rising,⁵ complaints were made that the constructors of Soviet power-stations preferred to import more reliable foreign equipment, and had placed the electrification programme "in complete dependence on foreign electrical and related industries".⁶ Thirdly, home-produced equipment was subject to chronic delays in delivery;⁷ these were due partly to the high demand for engineering products, which encouraged manufacturers to concentrate their efforts on easier and less novel products, partly to the difficulties incurred by engineering firms in obtaining essential supplies, particularly of metal,⁸ and partly to the inefficiency and inexperience of the firms themselves. The argument

¹ For the mechanization of agriculture see pp. 197-218 above.

² See Table No. 16, p. 951 below.

³ *Metall*, No. 11-12, 1927, pp. 144, 147, 261; this figure excluded investments in capital repair.

⁴ *SSSR: 4 S"ezd Sovetov* (1927), p. 230; *Torgovo-Promyshlennaya Gazeta*, December 2, 1928.

⁵ *Promyshlennost' SSSR v 1927/28 godu* (1930), pp. 310-311.

⁶ *Bol'shevik*, No. 3, February 15, 1926, p. 66.

⁷ See Mezhlauk's article in *Torgovo-Promyshlennaya Gazeta*, December 4, 1926; *Promyshlennost' SSSR v 1927/28 godu* (1930), pp. 312-313.

⁸ For an example see *ibid.* p. 307.

of the trusts in favour of placing orders abroad was summed up by Kuibyshev: "it is cheaper there and the risk is less".¹ Soviet customs barriers were not high enough to redress the balance. The import duty was an average of 40 per cent *ad valorem* on machines and equipment, and did not normally cover the gap between home and foreign prices.² Procedures for obtaining permission to import were complicated, but do not seem to have been sufficiently exacting to divert demand to Soviet industry, particularly when high priority projects were involved.

To stimulate both the production and the purchase of new types of Soviet engineering products, further action by the central authorities was required. In February 1927, the central committee of the party asked STO to work out measures for placing "planned long-term orders" for equipment with Soviet engineering firms; the resulting increase in home production would allow costs and prices to be reduced.³ At the fourth Union Congress of Soviets two months later, Kuibyshev, declaring that trusts should in future be deprived of their power to develop or strangle any branch of engineering, reported the formation under the presidium of Vesenkha of a committee on engineering, which would distribute orders to engineering factories and utilize their full capacity, even if this meant a sacrifice for the customers.⁴ At the first meeting of the committee on April 30, 1927, Kuibyshev, who was himself appointed its president, announced that its function would be to "coordinate the scattered actions of separate economic agencies

¹ *SSSR : 4 S"ezd Sovetov* (1927), p. 232.

² Vesenkha paradoxically put pressure on Narkomfin to reduce the duty still further; while the policy of Vesenkha was to encourage the purchase of Soviet engineering products, it also wanted to keep down the payments made by industry to the budget on those engineering products which were imported. It particularly complained that the duty on "light equipment" averaged only 7-10 per cent against an average for "heavy equipment" of 75 per cent, and that some conveyors and excavators bore a duty of 100-150 per cent. On November 15, 1928, the duty on machines was reduced to an average of 30 per cent, and the gap between the tariffs on "light" and "heavy" equipment was reduced (*Puti Industrializatsii*, No. 6, 1928, pp. 8-9; No. 2, 1929, pp. 64-65).

³ For this resolution see p. 404 above. A decree of Sovnarkom dated February 19, 1927, insisted that the dependence of the electric power industry on foreign supplies should be systematically reduced (*Sobranie Zakonov*, 1927, No. 11, art. 108).

⁴ *SSSR : 4 S"ezd Sovetov* (1927), pp. 231-233; the formation of a committee of this kind had been recommended by the first plenum of Vesenkha in February 1927 (*Ekonomicheskaya Zhizn'*, February 26, 1927).

and bring together the demand for machines and the capacity of the factories".¹ The committee met frequently; during the first year of its existence it examined the position in oil and textile engineering and in tractor, boiler and turbine production. It transferred orders to Soviet producers, and ordered the concentration of particular items of production at particular factories with the object of improving delivery dates and reducing costs. On occasion it cut prices charged by producers so as to make the purchase of home-manufactured engineering products less unprofitable. The decisions of the committee and successive campaigns to reduce production costs appear to have had little effect on prices.² The committee nevertheless succeeded in transferring long-term orders valued at about 150 million rubles from foreign to home suppliers.³ Allegations continued to be made that orders had been unnecessarily placed abroad,⁴ and were again discussed at the third plenum of Vesenkha in March 1928. Kuibyshev complained that, in order to obtain permission to place an order abroad, trusts would order, say, a diesel engine from Leningrad which it was impossible to design; he insisted that such orders should go through the committee on engineering.⁵ Efforts to increase the use of Soviet engineering products were not confined to the committee on engineering. Glavelektro, the *glavk* responsible for the electrical industry, and Glavmetall, responsible for other engineering, tried to persuade trusts and *glavki* to place orders at home, and were encouraged in this by Rabkrin. Thus Rabkrin found that in the State Electrical Trust (GET) production was not geared to meet requirements, so that the purchasing

¹ *Pravda*, May 4, 1927.

² According to a table in *Osnovnye Momenty Rekonstruktsii Promyshlennosti SSSR*, ed. S. Minaev (1931), p. 61, in 1928-1929 prices of machinery and capital equipment produced in the USSR were 11.2 per cent higher than in 1924-1925, while in the same period the prices of imported machinery and equipment had fallen by 14.8 per cent.

³ An account of the work of the committee appears in *Metall*, No. 2, 1928, pp. 5-14.

⁴ See for example *Torgovo-Promyshlennaya Gazeta*, January 13, 1928; *Pyatnadsatyi S"ezd VKP(B)*, ii (1962), 1041-1042.

⁵ *Torgovo-Promyshlennaya Gazeta*, March 6, 1928. In the following month a Vesenkha decree reprimanded the oil trust Azneft for misrepresenting the specification of a diesel engine in the hope of transferring the order to a foreign firm; the decree again referred to "a definite tendency among industrialists to order as much capital equipment as possible abroad" (*ibid.* April 7, 1928).

factories placed their orders abroad to avoid the risk of late delivery. Glavelektro thereupon called a meeting between the producer factories and the consumer *glavki* with the object of coordinating orders.¹

The most protracted and publicized dispute over the replacement of foreign orders by home production concerned the provision of generating plant for Dnieprostroi.² In the earlier Volkhovstroi scheme, some Soviet-made generators had been installed.³ But they were much smaller than those required at the Dnieper site and cost some 70 per cent more than generators imported from Sweden. In October 1927, a meeting of the industrial department of Glavelektro proposed that the three generators required for the first stage of the Dnieper station should be built by GET; GET offered to provide one in two years' time and the other two at intervals of four months thereafter. Dnieprostroi expressed strong doubts about the ability of the trust to fill the order by the end of 1930 when the generators would be needed, and Vinter, its chief engineer, was willing to take Soviet generators only in the second stage.⁴ The Soviet industry complained of prejudice on Vinter's part, and a protest was published from the workers at Kharkov electrical engineering works where facilities for the production of generators had recently been introduced at considerable expense. In November Glavelektro ruled in favour of the Soviet industry: the price proposed was still some 70 per cent higher than the import price excluding duty.⁵ This did not finally settle the matter; continual difficulties arose over the order in the next two years.⁶ A similar dispute arose about the metal bridges over the dam; again Vesenkha overruled the Dnieprostroi board, which again expressed fears that the order might be delayed.⁷

¹ *Torgovo-Promyshlennaya Gazeta*, October 30, 1927.

² For the Dnieper project see pp. 898-912 below.

³ For Volkhovstroi see *Socialism in One Country, 1924-1926*, Vol. I, p. 514.

⁴ *Torgovo-Promyshlennaya Gazeta*, October 8, 1927; the production director of AEG Berlin, in a report about GET prepared on a Soviet invitation a year before, had spoken of delays in orders which would be "completely impermissible" in the west (*ibid.* September 2, 1926).

⁵ *Ibid.* October 19, 23, November 5, 1927.

⁶ Eventually the first five generators were made in the United States by GEC and the remaining four by Elektrosila works in Leningrad (*Bol'shaya Sovetskaya Entsiklopediya*, xxii (1935), 738).

⁷ *Ekonomicheskaya Zhizn'*, October 4, 1928.

Dnieprostroi was allowed, however, to purchase abroad those of its requirements which could not be met in the USSR. The turbines were all imported from the United States, and while the dispute about generators was in progress, Vinter travelled to Germany to place orders with Krupp for stone-crushing equipment and concrete-mixing machinery, which were not manufactured in the USSR.¹

As the confidence of Soviet political leaders and industrialists increased, their view of what could be produced at home expanded. Increased investment in the chemical industry led the presidium of Vesenkha to resolve on May 20, 1929, that the production of capital equipment for chemical plants should be "forced in every way", so that two-thirds of the requirements of the chemical industry would be met from Soviet production in the period 1929-1931.² The press also carried many reports of other instances, small and large, in which home production was being planned or undertaken.³ But much could not be attempted immediately.

The extent to which imports were replaced by Soviet production in the later nineteen-twenties varied considerably between different engineering products. As early as 1925-1926, nine-tenths of total purchases of locomotives and rolling stock were of Soviet manufacture.⁴ In the case of agricultural tools and implements, the radical shift to home production which was eventually to occur throughout the engineering industry took place in the second half of the nineteen-twenties; imports fell from 44 per cent of total supplies in 1913 to 19 per cent in 1928-1929, even though total sales to the peasant, measured in comparable prices, increased by about 90 per cent.⁵ On the other hand, the rising demand from industry for the products of the electrical industry

¹ *Torgovo-Promyshlennaya Gazeta*, November 11, 1927; *Bol'shaya Sovetskaya Entsiklopedia*, xxii (1935), 737-740.

² *Protokol Zasedaniya Prezidiuma VSNKh SSSR, 1928-1929*, No. 19, *Prilozhenie*, art. 539.

³ Reports of new lines of production, including typewriters, thermometers, adding machines, and automatic telephone equipment, published during November and December 1927, are summarized in E. Larina i Yu. Larin, *Voprosy Rabochei Zhizni* (1928), pp. 44-49.

⁴ *Bol'shevik*, No. 4, February 15, 1927, p. 31.

⁵ *Ibid.* No. 4, February 15, 1927, p. 31; *Osnovnye Momenty Rekonstruktsii Promyshlennosti SSSR*, ed. S. Minaev (1931), p. 7; G. Krzhizhanovsky and others, *Osnovnye Problemy Kontrol'nykh Tsifr Narodnogo Khozyaistva SSSR na 1929/30 god* (1930), appendix table 3.

resulted in an even faster rise in imports than in production.¹ As a result of the increase in purchases by industry of industrial machinery and other capital equipment in the second half of the nineteen-twenties, the proportion imported, which had fallen from 60 per cent of the total in 1913 to 40 per cent in 1925-1926,² still amounted to 33 per cent in 1928-1929, even though Soviet production had more than doubled in the previous three years.³

(b) *New Technology*

The importance of advanced technology had been a persistent Soviet theme ever since the revolution. In 1920, the Goelro plan for the electrification of Russia had been founded on the assumption that a technological revolution would be made possible by electrification.⁴ The resolution of the fourteenth party congress in December 1925 proclaimed that "our socialist industry should be developed on the basis of a more advanced technical level".⁵ The drive for new technology was stimulated and strengthened by the acceptance of the principle of self-sufficiency, which explicitly assumed that the USSR would itself develop the major industries on which modern capitalist economies were based. The resolution on the economic situation passed by the fifteenth party conference of October 1926 spoke of the "new period" of economic development as "a period of reconstruction of the economy on the basis of a new and more advanced technology".⁶ The decree of the party central committee on rationalization of March 1927 called for the establishment of new enterprises "on the basis of the latest scientific and technical achievements" and for the "fundamental re-equipment of existing industry".⁷ By the end of 1927, references to the importance of the most advanced technology were a *cliché* in all Soviet pronouncements on industrialization. In November 1928 the party central committee stressed that rational-

¹ Estimated from data for 1913 and 1925-1926 to 1927-1928 in *Bol'shevik*, No. 4, February 15, 1927, p. 31, and *Promyshlennost' SSSR v 1927/28 godu* (1930), pp. 308, 315; figures for 1928-1929 have not been traced.

² *Bol'shevik*, No. 4, February 15, 1927, p. 31.

³ *Osnovnye Momenty Rekonstruktsii Promyshlennosti SSSR*, ed. S. Minaev (1931), p. 16.

⁴ See *The Bolshevik Revolution, 1917-1923*, Vol. 2, pp. 371-373; *Socialism in One Country, 1924-1926*, Vol. 1, pp. 513-515.

⁵ See p. 402 above.

⁶ *KPSS v Rezolyutsiyakh* (1954), ii, 294; for this resolution see pp. 288, 404 above.

⁷ For this decree see pp. 341-342 above.

ization, the increased use of science, and the "fullest use of the experience and knowledge of western Europe and America" were "particularly necessary"; it embodied the twin goals of self-sufficiency and advanced technology in the slogan "catch up and surpass the capitalist countries both technically and economically".¹ And this fusion of purposes reflected in turn the traditional ambivalence of the attitude of Russia to Europe: to imitate the west and to borrow from the west, but, through this very process, to throw off the incubus of western predominance and western influence.

It had been a commonplace of the beginnings of Russian industrialization in the late nineteenth century that Russia, like imperial Germany, derived some technological advantages from her late start, which had enabled her to profit from the experiences and achievements of her predecessors in the process of industrialization. Krzhizhanovsky early in 1926 applied this theme to Soviet industrialization:

We have before us a process resembling that through which a young capitalist nation, undertaking the mechanization of its production, borrows from the arsenal of its capitalist neighbours those of their machines, equipment and productive methods which are the last word in capitalist practice, and does not go through the preliminary stages of mechanization.

Krzhizhanovsky added that the Soviet planned economy would be able to make large-scale technical advances which were inaccessible to capitalism.² An occasional warning was uttered about the inadvisability of attempting to go too fast: Rykov commented in April 1926 that, when a capitalist was developing his own business, he made sacrifices in the earlier stages and went on foot, whereas "here we often start with a car".³ But there was general agreement with the injunction of Rukhimovich, at the fifteenth party conference in October 1926, to copy the last word in European and American technology.⁴ In October 1927, Kuiby-

¹ *KPSS v Rezolyutsiyakh* (1954), ii, 526; for this resolution see p. 325 above; for earlier versions of the slogan see pp. 288, 294 above.

² *Planovoe Khozyaistvo*, No. 2, 1926, p. 15.

³ *SSSR: Tsentral'nyi Ispolnitel'nyi Komitet 3 Sozyva: 2 Sessiya* (1926), p. 10; see also p. 446 below.

⁴ *XV Konferentsiya Vsesoyuznoi Kommunisticheskoi Partii (Bol'shevikov)* (1927), p. 194; for Rukhimovich see p. 300 above.

shev told TsIK that the first aim of the five-year plan must be "the maximum possible improvement of the technical level of the country, because socialism is a technically higher stage of development of society".¹ And when Sokolnikov declared at the fifteenth party congress in December of the same year that the improvement of technology was possible "only after the simplest and most elementary and primitive needs can be satisfied", Rykov replied that "comrade Sokolnikov is a bit behind the times": "what he puts in the present, I to a large extent put in the past; what he puts in the future, I put in the present".²

The reasonableness of this approach seemed to be confirmed by the urgent necessity of reducing industrial costs. In July 1927, Serebrovsky, at that time responsible for capital construction in Vesenkha, reported with pride to STO the extensive mechanization and reconstruction which had been carried out in the coal, oil and sugar industries, and suggested that the small reduction in costs which had already taken place in 1926-1927 was "connected with" the capital investment of 1925-1926; in 1927-1928, a four per cent reduction in costs could be planned, because the capital investment available to promote rationalization had been doubled in 1926-1927.³ Doubt was, however, cast on this apparently impregnable argument by the abundance of unemployed labour in the towns and underemployed labour in the countryside. While rationalization and mechanization were designed to increase productivity and cut production costs by improving efficiency and reducing the quantity of labour required, the existence of chronic unemployment presented their advocates with a painful dilemma. Krzhizhanovsky, a strong protagonist of the new technology, summed up the social problem. The greater use of machines "provides the possibility of managing with less and less living labour"; nevertheless, "the need to employ the labour force imposes on us a policy of absorbing and employing in all our economic work an increasing quantity of living labour".⁴ The issue arose in its

¹ 2 *Sessiya Tsentral'nogo Ispolnitel'nogo Komiteta Soyuza SSR 4 Sozyva* (n.d. [1927]), p. 250.

² *Pyatnadtsati S"ezd VKP(B)*, ii (1962), 1129, 1167-1168.

³ *Torgovo-Promyshlennaya Gazeta*, July 27, 1927.

⁴ G. Krzhizhanovsky and others, *Osnovnye Problemy Kontrol'nykh Tsifr Narodnogo Khozyaistva na 1928/29 god* (1929), p. 8. For further discussion of the effect of rationalization on employment see pp. 463-464 below.

simplest form in the countryside. As Kalinin had pointed out at the fifteenth party congress in December 1927, rural over-population created a vicious circle and was an "enormous brake" on mechanization: "Why introduce a threshing machine when one can easily thresh with flails, and otherwise there is nothing to do?"¹ "All these metal implements", remarked another commentator, "compete powerfully with human labour".² In conditions of super-abundant labour and scarce capital, the argument for labour-intensive as opposed to capital-intensive forms of production was difficult to refute and still more difficult to ignore in practice.

In May 1927, a decree of Sovnarkom drew attention to the fact "for a long time ahead" factory industry would be unable to absorb the surplus labour of the countryside, and called for the development of artisan and handicrafts industries, which would "utilize surplus labour power".³ In the spring of 1928, a joint circular of Narkomtrud, Vesenkha and Narkomput' called for the extension of "labour-intensive construction" in industry and transport, and particularly for the increased construction of roads, dams and canals, in order to reduce the number of unemployed.⁴ In the summer of the same year, the principal engineers in the scientific and technical council (NTS) of the textile industry strongly pressed the case for the labour-intensive use of machinery. One of them pointed out that in the USSR capital was scarce and very expensive and a "reserve of labour" was available, while in the United States capital was cheap and labour expensive; he drew the conclusion that machinery should be used in conjunction with a larger amount of labour than in the west.⁵ His opponents rested their case on the argument that the technological revolution which was taking place would result in the creation of a highly-skilled working class, and would make possible a high standard of living, thus raising the cost of labour; "the Soviet Union", the industrial newspaper prematurely asserted, "has already ceased to be a country of cheap labour".⁶ This approach was condemned

¹ *Pyatnadsyati S"ezd VKP(B)*, ii (1962), 1234; for Kalinin's observation on the "free time" enjoyed by workers on Sovkhozy thanks to mechanization see p. 183, note 2 above.

² *Ekonomicheskoe Obozrenie*, No. 9, 1929, pp. 88-89.

³ *Direktivny KPSS i Sovetskogo Pravitel'stva po Khozyaistvennym Voprosam*, i (1957), 699.

⁴ *Torgovo-Promyshlennaya Gazeta*, April 7, 1928.

⁵ *Ibid.* May 27, 1928.

⁶ *Ibid.* June 24, July 6, 28, 1928.

by another leading engineer in the scientific and technical council as "pseudo-revolutionary romanticism";¹ but an editorial in the newspaper replied to this sally by condemning "sober realists" who wanted to base economic calculations on assumptions about "*cheap labour and expensive capital*".² Two days later, all the scientific and technical councils were put directly under the control of the *glavki* of their industry.³

While the industrial leaders maintained a firm defence of the most advanced technical methods, the scarcity of capital forced them in practice to accept methods of production which involved the use of less advanced equipment and more labour than in the most modern western factories, and, in spite of higher labour costs, to bring back into use older factories which had been closed for some years. The outcome differed from industry to industry. In the iron and steel industry a large quantity of older equipment was discarded, and much modernization was undertaken.⁴ The coal and oil industries were also extensively modernized: thus in 1928-1929 30 per cent of the total output of Donbass coal was hewn mechanically as compared with 5.6 per cent in 1924-1925 and none before the revolution.⁵ In general engineering, however, most investment was allocated to the immediate increase of production rather than to technical improvements.⁶ In the textile industry, capital expenditure was at first directed mainly towards technical improvements, and capacity did not greatly increase;⁷ intensive efforts were made before 1928 to produce in the Soviet Union textile machinery which had previously been imported.⁸ Early in 1928, however, the introduction of the three-shift system,⁹ which made possible greater production from existing machinery

¹ *Ibid.* July 28, 1928.

² *Ibid.* August 16, 1928; for an account of this discussion see *Socialism, Capitalism and Economic Growth: Essays Presented to Maurice Dobb*, ed. C. H. Feinstein (1967), pp. 292-297.

³ See pp. 358-359 above.

⁴ See the report on capital construction in the industry from 1925-1926 to 1927-1928 presented by Vesenkha to STO in August 1928, published from the archives in *Pervye Shagi Industrializatsii 1926-1927 gg.* (1959), pp. 120-142.

⁵ *Osnovnye Momenty Rekonstruktsii Promyshlennosti SSSR*, ed. S. Minaev (1931), pp. 84-85.

⁶ *Pervye Shagi Industrializatsii 1926-1927 gg.* (1959), pp. 146-147, 159.

⁷ *Kontrol'nye Tsifry Narodnogo Khozyaistva SSSR na 1927-1928 god* (1928), p. 35.

⁸ *Pervye Shagi Industrializatsii SSSR 1926-1927 gg.* (1959), pp. 156-157.

⁹ See pp. 496-504 below.

through the greater use of labour, reduced the demand for new textile machines ; and an official of Vesenkha drew the conclusion that " we should firmly refuse to undertake new construction in these light industries ".¹ In the summer of 1928 the factories producing textile machinery were involved in a crisis of over-production,² and production did not expand in the year 1927-1928 as a whole.³ In the textile industry, scarcity of capital and abundance of labour had thus proved a barrier to the drive for new technology ; and in the autumn of 1928 Grinko declared that in industry as a whole capital investment had so far been directed mainly towards " a quantitative expansion of production ".⁴

Some improvement in the general level of technology was undoubtedly obtained. The amount of fixed capital per worker in industry somewhat increased.⁵ The more abundant supply of industrial capital was certainly a factor in the reduction of industrial costs by some ten per cent between 1925-1926 and 1928-1929.⁶ But the distance between the technical level of the USSR and that of the industrialized western countries remained enormous. By the summer of 1929, only a minority of the total industrial labour force worked in the reasonably well-equipped major factories of the large Union and republican trusts. About 40 per cent of the output of census industry was produced, and about the same proportion of the labour force was employed, in the less well-equipped factories under the control of local authorities or cooperatives.⁷ In addition, artisans engaged in part-time work with no machinery or very simple machinery were responsible for one-fifth of all industrial production ; the total number of artisans exceeded the number of persons employed in census industry.⁸

¹ *Puti Industrializatsii*, No. 2, 1928, pp. 26-27.

² See the reports in *Torgovo-Promyshlennaya Gazeta*, July 6, 8, 10, 14, 26, 1928, and Komarov's speech in *Shestnadsataya Konferentsiya VKP(B)* (1962), p. 110.

³ *Promyshlennost' SSSR v 1927/28 godu* (1930), p. 261.

⁴ *Pravda*, October 31, 1928.

⁵ The amount of fixed capital per worker slightly declined during 1925-1926, as a result of the large influx of labour during that year, but it increased from 4410 rubles in 1925-1926 to 4520 in 1927-1928 (*Puti Industrializatsii*, No. 21, 1928, pp. 10-19).

⁶ See p. 347 above.

⁷ See pp. 364, 368, note 2, 385 above. In 1928 between 35 and 40 per cent of furnaces working in industry and transport were reported to be worn out and due for replacement (*Kontrol'nye Tsifry po Trudu na 1928-29 god* (1929), p. 50 ; for detailed figures for industry see *Obzor Deyatel'nosti NKT SSSR za 1926-1928 gg.* (1928), p. 129).

⁸ See p. 390 above.

The electricity industry was an outstanding example of the new technology.¹ The programme of electrification inspired by the Goelro plan was generously financed throughout the nineteen-twenties: the industry enjoyed a special status, and was usually put in a separate category from other industries when the budget and other plans were discussed. Both Vesenkha and Gosplan strongly held the view that plans for the future capacity of the industry should provide both for an expansion of existing consumption, and for the contribution which electrification would make to raising the rest of industry to a higher technical level. Thus Vesenkha recommended to Sovnarkom in 1928:

In order to make planned electrification a *key link* in the economy, and to prevent a chronic power shortage from holding up industrial development, it is absolutely necessary to establish some surplus capacity at regional stations in each industrial region, even in excess of the normal reserve.²

The principle that an abundant supply of electric power would stimulate consumption was the justification for Dnieprostoi.³ In practice, however, the supply of electricity tended to lag behind the growing demands of industry: in Moscow and the Donbass power shortages were frequent, and a system of priorities for peak hours was introduced in Moscow in 1928.⁴ But investment in electric power construction expanded very rapidly in these years: in 1928-1929 it absorbed one-seventh of all investment in industry.⁵ As a result of this high rate of investment, the capacity and production of the industry also expanded; at the end of 1929 generating capacity amounted to 2.3 million kilowatts against 1.6 million at the end of 1926, and the amount of electricity generated doubled.⁶ The industry was the first to have official sanction for a five-year plan: an electrification plan, presented to STO by

¹ For Lenin's support for electrification see *The Bolshevik Revolution, 1917-1923*, Vol. 2, pp. 371-373; for the "energy" approach to planning, see p. 803, note 1 below. ² *Promyshlennost' SSSR v 1927/28 godu* (1930), pp. 321-322.

³ See pp. 899, 910-911 below.

⁴ *Ekonomicheskoe Obozrenie*, No. 10, 1927, p. 139; *Torgovo-Promyshlennaya Gazeta*, August 12, 1928. With the completion of new power stations, unused capacity was reported to exist in Leningrad in 1927 (*Pervye Shagi Industrializatsii SSSR 1926-1927 gg.* (1959), p. 84); but this was not typical.

⁵ See Table No. 47, p. 979 below.

⁶ *Sotsialisticheskoe Stroitel'stvo SSSR* (1935), p. 97; Table No. 16, p. 951 below.

Gosplan in December 1926, was approved by Sovnarkom on February 19, 1927, and provided for a minimum increase in capacity of 1.3 million kilowatts during the five years.¹

These achievements were an important step towards the realization of the Goelro plan. By October 1927, about one-fifth of the plan to instal regional power stations with a total capacity of 1.5 million kilowatts had already been achieved; and Krzhizhanovsky reported to the session of the party central committee in November 1928 that capacity equivalent to 92 per cent of the total planned by Goelro was either already completed or under construction.² The view was frequently expressed that the power production target of the Goelro plan would be achieved by 1931 or 1932.³ The original plan had been compiled in haste at a time when little experience was available; and in some areas there had been drastic departures from the original map of projected power stations.⁴ Its replacement by a revised plan was constantly discussed. By the beginning of 1927, a draft fifteen-year plan for the industry already existed: it proposed that total generating capacity should rise from 1.5 million kilowatts at the end of 1926 to 6 million at the end of 1936 and 10 million at the end of 1941, and retained the original Goelro conception by proposing that the unified system of regional power stations, as distinct from the power stations attached to particular industries or local authorities, should control 68 per cent of total capacity by the latter year as compared with 27 per cent in 1926.⁵ During the nineteen-twenties, some progress was made towards shifting the emphasis to regional stations: by 1929, 40 per cent of Soviet electric power

¹ *Sobranie Zakonov*, 1927, No. 11, art. 108; *Torgovo-Promyshlennaya Gazeta*, December 5, 1926. This figure referred to regional stations alone, excluding the substantial expansion planned in the capacity of power stations attached to particular industries; total capacity was to rise from 1.5 million kilowatts at the end of 1926 to 3.6 millions at the end of 1931 (*Perspektivy Razvertyvaniya Narodnogo Khozyaistva SSSR na 1926/27-1930/31 gg.* (1927), p. 61).

² *Torgovo-Promyshlennaya Gazeta*, June 7, 1928; G. Krzhizhanovsky and others, *Osnovnye Problemy Kontrol'nykh Tsifr Narodnogo Khozyaistva na 1928/29 god* (1929), p. 34.

³ *Bol'shevik*, No. 3, February 15, 1926, p. 59; *Torgovo-Promyshlennaya Gazeta*, December 5, 1926.

⁴ *Planovoe Khozyaistvo*, No. 6, 1926, pp. 181-183.

⁵ *Perspektivy Razvertyvaniya Narodnogo Khozyaistva SSSR na 1926/27-1930/31 gg.* (1927), p. 67; in fact capacity reached 7.5 million kilowatts in 1936 and 11.2 millions in 1940 (*Promyshlennost' SSSR* (1964), p. 231).

was obtained from regional stations, most of which had been constructed since 1920.¹

In 1928, an attempt was made to press the claims of the chemical industry on the grounds that, like electrification, it would exert a transforming influence on the technology of the economy as a whole. In March 1928, 37 prominent chemists, including Ipatiev and Bakh, handed a well-publicized note to Rykov as president of Sovnarkom, complaining that insufficient importance was attached to the industry, particularly in long-term plans, which often made use of out-of-date foreign technology. The note insisted on the "limitless future possibilities" for the practical application of chemistry, referring in this connexion to atomic energy, and suggested that "gasification" must be added to "electrification". It listed urgent projects, demanded a large investment in pure and applied research, and proposed that a commission of Sovnarkom should be established on "the chemicalization of the country". In presenting the note to Rykov, Bakh declared that "mankind is at the present time approaching the epoch of the transition period from the age of steam and electricity to the age of chemistry". The initiative of the chemists was immediately welcomed by both Kuibyshev and Rykov. Kuibyshev declared that "the plan of chemicalization" must be added to "electrification of the country" as the basis of its economy; and Rykov contrasted "revolutionaries in politics" who were sometimes "conservatives in technology" with scientists and engineers who were "revolutionaries in technology".² In the same month, Sovnarkom set up a commission to investigate the question;³ and on April 28, 1928, a permanent committee of Sovnarkom on "chemicalization" of the economy was established with Rudzutak as its president.⁴ A powerful chemical industry was also required to meet the urgent needs of agriculture and defence.⁵ In the

¹ *Sotsialisticheskoe Stroitel'stvo SSSR* (1935), p. 97.

² *Pravda*, March 18, 1928; the note was given critical support by ten Ukrainian chemists in *Torgovo-Promyshlennaya Gazeta*, March 24, 1928.

³ *Sobranie Zakonov*, 1928, No. 19, art. 169.

⁴ *Ibid.* No. 25, art. 222; *Direktivy KPSS i Sovetskogo Pravitel'stva po Khozyaistvennym Voprosam*, i (1957), 815-819.

⁵ See pp. 239 above and 429-430 below.

course of the preparation of the annual control figures in the summer of 1928, the plans for the industry were revised upwards ; capital investment in the industry in 1928-1929 was over twice as large as in the previous year.¹

(c) *Priority for Producer Goods*

The dictum that priority should be given to the production of "means of production" was a corollary of the drive for new technology. Marx demonstrated that in capitalist society competition, by providing a continual spur to technical improvement, promoted a general tendency for the ratio of capital to labour to rise ; and Lenin derived from this tendency towards an improvement in the "organic composition" of capital the conclusion that, in an expanding capitalist economy, the production of means of production (Department I of Marx's schema for the process of capitalist reproduction) would increase more rapidly than the production of means of consumption (Department II of Marx's schema), with the production of means of production for use in the industries which themselves produced means of production increasing most rapidly of all.² This analysis provided a powerful precedent for the Soviet economy : it seemed an obvious requirement of technical advance in any planned economy that the state should enforce the priority achieved in capitalist countries by the spontaneous operation of the laws of the market ; and the technological backwardness of the USSR made this priority seem all the more essential. These considerations prompted Vesenkha in its proposals for the year 1925-1926 to describe the more rapid development of heavy industry as "a healthy, progressive phenomenon", which marked the "necessary second stage of industrial growth".³ The argument from technical progress was strongly

¹ See Table No. 18, p. 953 below.

² "Fastest of all grows production of means of production for means of production, next production of means of production, and slowest of all production of means of consumption" (Lenin, *Sochineniya* (5th edn.), i, 81, manuscript of 1893).

³ *Perspektivy Promyshlennosti na 1925-26 Operatsionnyi god* (1925), p. 108. The terms "heavy" and "light" industry were normally synonymous with producer goods or Group A industries and consumer goods or Group B industries (for Groups A and B see Note D, p. 935 below). Groups A and B were not coterminous with Department I and Department II of Marx's schema

supported by the argument from self-sufficiency: if the Soviet Union was to become independent of the capitalist world, it must increase its production of the capital equipment and other producer goods in which the pre-revolutionary economy had been deficient. The whole case was summed up in a chapter on "Industrialization" in the control figures of Gosplan for the year 1926-1927, which pointed out that the tendency inherent in capitalism for industries producing means of production to expand more rapidly than consumer goods industries was reversed in favour of consumer goods only in countries like India and China, which were obliged by the imperialist countries to import machines and other capital equipment; in Soviet conditions such a policy was "completely impermissible" in view of the risk of a rupture of economic relations with the capitalist world.¹

Though this case seemed very powerful, strong arguments could also be found for not neglecting the consumer goods industries. According to Marx's analysis, the process of accumulation in capitalist society, with its relentless pressure for the growth of capital, led to the impoverishment of the masses; under socialism, the standard of living of the mass of the people should rise continuously, and the production of consumer goods should accordingly expand. Moreover, if in the middle nineteen-twenties the isolation of the Soviet Union stimulated the drive to achieve self-sufficiency by promoting the production of means of production, the increased supply of industrial consumer goods to the countryside also seemed essential if Soviet power was to be consolidated in a peasant country and grain supplies assured. In practice, the conflict between the immediate needs of the consumer and the long-term needs of industrialization provoked doubts and hesitations, which were reflected in changes of emphasis in official attitudes and policies. The resolution on industrialization of the fourteenth party congress in December 1925 called for "the development of the production of means of production" as a means of achieving economic independence;² and in April 1927

for the economy as a whole, since Department I included construction, which was not treated as an industry in Soviet statistics, and industrial raw materials from agriculture; nevertheless the two classifications were normally assumed to be identical when statistics were cited in discussions of policy.

¹ *Kontrol'nye Tsifry Narodnogo Khozyaistva na 1926-1927 god* (1926), p. 171.

² For this resolution see p. 276 above.

the fourth Union Congress of Soviets strongly affirmed this commitment, insisting that industries producing means of production should expand much faster than consumer goods industries, and that this "fully corresponds to the interests of the industrialization of the country" and "must continue in the future".¹ But the leaders faltered when confronted by the goods shortages on the consumer market. As the draft five-year plan published by Vesenkha in the summer of 1927 remarked, "every newspaper reader knows nowadays that the tendency to give priority to the development of production of means of production corresponds to the needs of industrialization"; the problem was to find the limits within which this "old truth" should operate.² In the course of the year 1927-1928, the principle of priority for producer goods was frequently challenged, and the resolution of the fifteenth party congress in December 1927 manifested a certain ambivalence.³ The struggle between the two tendencies was graphically expressed in the antithesis between the "metal link" and the "textile link" with the peasantry.⁴ The defeat of the Right opposition in the party brought with it the victory of the "metal link"; in November 1928 the central committee of the party firmly declared that "the development of the iron and steel, engineering, electric power and chemical industries, the all-round industrialization and mechanization of agriculture, and a considerable increase in the relative weight of the production of means of production are obligatory prerequisites of the further growth of the country".⁵ In April 1929, the sixteenth party conference put first in its list of commendable objects of the five-year plan: "the maximum development of the production of the means of production as the foundation of the industrialization of the country".⁶

The relative weight afforded in practice to the production of means of production on the one hand and of consumer goods on the other, as expressed in the statistics for Group A and Group B industries, reflected both the fluctuations of official policy and the ultimate triumph of the principle of according priority to the pro-

¹ *S"ezdy Sovetov v Dokumentakh*, iii (1960), 118.

² *Materialy k Pyatiletnemu Planu Razvitiya Promyshlennosti SSSR (1927/28-1931/32 gg.)* (1927), p. 26; for this draft see pp. 862-864 below.

³ See pp. 303-305 above.

⁴ See p. 199 above.

⁵ For this resolution see p. 325 above.

⁶ For this resolution see pp. 890-891, 894 below.

ducer goods industries. The principle was most firmly and consistently maintained in the allocation of capital investment between the two groups. In 1925-1926, the proportion of capital investment in industry allocated to Group A industries was already considerably higher than the proportion of the capital stock of industry held by this group. During the next three years, with the doubtful exception of the year 1927-1928, the proportion of total investment allocated to Group A further increased at the expense of Group B.¹ As a result, productive capacity rose much more rapidly in Group A industries than in Group B industries, so that the share of Group A industries in fixed industrial capital increased from 50.1 per cent on October 1, 1925 to 61.2 per cent on September 30, 1929.²

The shift of emphasis in investment in favour of the producer goods industries was not accompanied by an immediate shift in production. In 1925-1926, Group A industries accounted for 25.5 per cent of total industrial production; by 1928-1929, the proportion had risen only to 28.8 per cent.³ In the control figures for 1928-1929, Gosplan, describing the ratio of Group A to Group B production as a "completely clear" indicator of the extent of industrialization, admitted that it had changed less than all other such indicators.⁴ Part of the explanation for this relatively slow change lay in the time-lag between investment and production, which was much longer for Group A industries than for Group B industries,⁵ and in the greater possibilities which existed of increasing production in the Group B industries through

¹ The published figures for capital investment in Group A and Group B industries show a sharp rise in the proportion allocated to Group B industries in 1927-1928 (G. Krzhizhanovsky and others, *Osnovnye Problemy Kontrol'nykh Tsifr Narodnogo Khozyaistva SSSR na 1929/30 god* (1930), p. 65); this shift is not confirmed, however, by the more detailed figures showing each industry separately in Table No. 18, p. 953 below (see also p. 310 above).

² *Osnovnye Momenty Rekonstruktsii Promyshlennosti SSSR*, ed. S. Minaev (1931), p. 69; the figures refer to census industry, but exclude some republican and local census industry.

³ See Table No. 13, p. 948 below; and compare the relative rates of increase in investment in the Group A and Group B industries shown in Table No. 18, p. 953 below, with the relative rates of increase in production by the two Groups in Table No. 13.

⁴ *Kontrol'nye Tsifry Narodnogo Khozyaistva SSSR na 1928-1929 god* (1929), p. 61.

⁵ *Osnovnye Momenty Rekonstruktsii Promyshlennosti SSSR*, ed. S. Minaev (1931), p. 63.

increased supplies of materials and number of workers employed rather than through increased capacity. The rise in production of consumer goods between 1926 and 1929 was to some extent the result of deliberate policy; the hope or illusion was cherished throughout this period that rising standards of living for both urban worker and peasant were compatible with a high rate of industrialization. But by the spring of 1929 the producer goods industries were already receiving an over-riding and uncontested priority.

(d) *The Armaments Industry*

Armaments did not easily fit into the division of industry into Group A and Group B.¹ The armaments industry drew on Group A industries — especially the metal industries and engineering — and promoted their development; modern technology was obviously essential to it; and its viability required a high degree of national self-sufficiency both in the industry itself and in the industries which supplied it. But its final product was not consumed by other industries and did not contribute to further production. As a major example of unproductive consumption, it competed for capital investment and for current resources both with the Group B industries serving personal consumption and with Group A industries producing iron and steel, machines and tractors, which were the backbone of industrialization. In the long run, industrialization helped to establish the economic foundation for the armaments industry; in the short run, the claims of defence and industrialization competed, and could be reconciled only at the expense of personal consumption.

In the middle nineteen-twenties, the armaments industry was relatively neglected. Voroshilov reported to the fourth Union Congress of Soviets in April 1927 that war industry had been “hobbling on all four legs until recently”;² at the fifteenth party congress in December of the same year he reiterated:

Until last year war industry was perhaps the weakest spot in our whole economy and certainly the weakest in industry.

¹ The production of armaments does not appear to have been included in published Soviet industrial statistics at this time, though no specific statement about this has been traced.

² *SSSR : 4 S'ezd Sovetov* (1927), p. 556.

It is only since the autumn of last year that we have succeeded in dragging our war industry out of a slough of inefficiency, failure, debt, chaos and other infamies.¹

Voroshilov singled out for praise, however, the rapid progress of the embryonic aircraft industry, which straddled the civil and military spheres. Tupolev had already designed metal aircraft, and the Central Aero-Hydrodynamic Institute (TsAGI), which employed about 100 engineers and designers, was "unequalled not only in Europe but also throughout the world".² Until the autumn of 1926, the armaments industry was organized in a single large combine, which was itself subordinate to VPU or Voenprom, the *glavk* for war industry.³ Between August and December 1926, a drastic reform was carried out. On August 27, 1926, a war industry committee was set up, containing representatives of various *glavki* supplying the armaments industry.⁴ In December 1926, Tolokontsev, a forceful figure, hitherto president of the metal-working and engineering trust Gomzy, was appointed president of Voenprom,⁵ and the armaments combine was divided into four trusts, responsible for rifles and machine guns, cartridges and tubes, the military chemical industry, and guns and shells.⁶ The aircraft trust Aviatrest was also transferred from Glavmetall to Voenprom.⁷ Throughout industry, plenipotentiaries responsible for defence orders were established in factories and trusts, and factories carrying out defence orders were required to establish their own inspectors for their products, in addition to the inspection

¹ *Pyatnadsatyi S"ezd VKP(B)*, ii (1962), 988; according to a Gosplan report, consumption of fuel by the defence industries was only 1.4 per cent of total consumption in 1924-1925, and was planned to increase during 1925-1926 by only 15 per cent against an increase for industry as a whole of 40 per cent (*Planovoe Khozyaistvo*, No. 1, 1926, p. 63).

² *SSSR : 4 S"ezd Sovetov* (1927), pp. 551-552.

³ For Voenprom see p. 354 above.

⁴ *Protokol Zasedaniya Prezidiuma VSNKh SSSR, 1925-1926*, No. 11, art. 364. The committee was at first attached to Voenprom; when Vesenkha was reorganized a week later, the committee was placed directly under the presidium (*Torgovo-Promyshlennaya Gazeta*, September 5, 1926, order of September 4).

⁵ *Ibid.* December 11, 1926 (Vesenkha order of December 10); for his presidency of Gomzy see *ibid.* October 10, 1926. Tolokontsev remained president of Voenprom until he was transferred to the presidency of the new engineering *glavk* in August 1928 (*ibid.* August 31, 1928).

⁶ *Sobranie Zakonov, 1927*, No. 7, art. 76 (dated December 15, 1926).

⁷ *Promyshlennost' SSSR v 1926/27 godu* (1928), p. 198.

machinery of the People's Commissariat for War.¹ Within a few months, an improvement was reported. Kuibyshev told the fourth Union Congress of Soviets in April 1927, in answer to a large number of notes and queries, that war industry was beginning to put itself right, and that its production was already equal, and sometimes superior, in quality to that of civil industry.² Voroshilov, in his report about military affairs to the congress, agreed that the industry had made progress, but added that it was not yet completely ready to serve as the pivot of the whole economic organization in the event of attack.³ In a thin discussion, speakers associated the growth of war industry with the general process of industrialization, and stressed the need to build up new industries in such a way that they could easily be converted to military uses. Both these themes recurred frequently in the next few years.⁴

After the international tension of the spring of 1927 questions of defence received much greater public attention. STO met regularly under Rykov to discuss defence questions: "only in the spring", Voroshilov remarked later in the year, "did the Council of Labour and Defence acquire its third letter". An "Administration for the Mobilization of Industry" (MPU) to prepare for the event of war was established under the presidium of Vesenkha; special machinery was established in Gosplan; and mobilization departments were instituted in those People's Commissariats which did not already have them.⁵ Kuibyshev called for the improvement of the staffs of military factories;⁶ and Rabkrin recommended to the presidium of Vesenkha that the new president of Gomzy should be severely reprimanded, and its

¹ *Torgovo-Promyshlennaya Gazeta*, September 28, October 5, 1926 (Vesenkha orders of September 18 and 23).

² *SSSR : 4 S"ezd Sovetov* (1927), p. 388.

³ *Ibid.* p. 556.

⁴ *Ibid.* pp. 567, 569-570, 574-575; in September 1926, Radek, in a speech on behalf of the opposition at a discussion in the Communist Academy, declared that "the fate of a war depends on the metal and chemical industries; here we are still very weak, and it will be a thousand times more economical to face industrialization with some risk than to pay later with a hecatomb of peasant bodies" (*Vestnik Kommunisticheskoi Akademii*, xvii (1926), 248).

⁵ *Sobranie Zakonov*, 1927, No. 37, art. 373 (June 8, 1927); *Pyatnadsatyi S"ezd VKP(B)*, ii (1962), 980-981; *Torgovo-Promyshlennaya Gazeta*, April 26, 1928. As early as April 2, 1926, a central mobilization department was established in Narkomput', with the object of planning and utilizing transport for defence purposes (*Sobranie Zakonov*, 1926, No. 25, art. 127).

⁶ See p. 295 above.

deputy president dismissed, for not carrying out their duties in connection with mobilization plans and for "spending defence allocations on other purposes".¹ The control figures for 1927-1928 reported that increases in capital investment would be concentrated on the chemical and metal industries partly because of defence needs; in certain other industries investment allocations which would have been adequate "if the breathing-space had lasted longer" had undergone "an inevitable increase". The rider was added that "the best support for defence of the country is a well-organized industry fully meeting peace-time demand"; "only a small proportion" of expenditure on industry was to have "a specifically military character".² By December 1927, Voroshilov conceded that "we military workers consider that industry in its present form is a sufficiently powerful base"; though defence factories had many faults, the armaments industry had made progress, and "goes forward in rapid strides". The aircraft industry was "a really bright spot in our achievements". But the explosives industry was backward; and, though Soviet designs of tanks existed, "production of these tanks is so far very limited".³

Two complementary approaches were made to the problem of maintaining a large capacity for swift conversion to war production. The first was to permit defence factories to engage in civilian production in order to retain their capacity and labour force in readiness for military use. For several years armaments factories had successfully made textile machinery; Voenprom now proposed to produce civilian vehicles.⁴ The second approach was that civilian factories should take on defence work, and that new civilian factories should be designed with defence needs in view. At the fifteenth party congress, Voroshilov discussed tanks and tractors jointly, and pointed to the military importance of motor-vehicles, mentioning the difficulty of feeding large numbers of horses if they were mobilized. He also referred to the military importance of the iron and steel industry, of non-ferrous metals,

¹ *Pyatnadsatyi S"ezd VKP(B)*, ii (1962), 981.

² *Kontrol'nye Tsifry Narodnogo Khozyaistva SSSR na 1927-1928 god* (1928), p. 62.

³ *Pyatnadsatyi S"ezd VKP(B)*, ii (1962), 982-988.

⁴ *Torgovo-Promyshlennaya Gazeta*, September 14, 1927; the article cited Vickers, Armstrong and BSA as examples of armaments works which made machine-tools, metal products, bicycles and vehicles, and claimed that Soviet arms factories were equipped as well as these.

especially aluminium which the Soviet Union did not produce at all, and of the chemical industry, which was "in an embryonic state".¹ Discussion of the defence industries tended to broaden out into the general question of the military importance of a powerful heavy industry; and it is uncertain how far the armaments industry itself expanded during the period.²

The needs of the defence industries were often mentioned in connexion with the five-year plan, but without any detailed public discussion. The fourth Union Congress of Soviets in April 1927 recommended that Sovnarkom should take into account the requirements and tasks of defence when it considered economic plans, the guiding principle being that defence capacity "must never lag behind the general economic development of the country".³ Vesenkha apparently prepared a "war variant" of the five-year plan as early as the autumn of 1927.⁴ At the fifteenth party congress in December 1927, Voroshilov strongly argued that preparations should be made to plan the whole economy on a war basis; he stressed French preparedness for "full war", a phrase which was a precursor of "total war", pointing out that in France a higher defence committee had branches in all ministries, and a state economic council "like our Gosplan" had been established. While Voroshilov insisted that the five-year plan should be based on "the inevitability of an armed attack on the USSR", his speech implied an assumption that the attack would not come within the five years, and that the main effort during this period should be concentrated on industries needed for defence. He reported that there was a separate five-year plan for the armed forces; this presupposed that the size of the army would remain constant during the five years, and that additional budgetary allocations to the armed forces would be directed to technical improvement.⁵ After the congress, a clause of the Vesenkha directives on the five-year plan issued in April 1928 instructed Voenprom and MPU to work out a five-year

¹ *Pyatnadtsatyi S"ezd VKP(B)*, ii (1962), 983-986.

² For the relation of the defence industries to the defence item of the state budget see R. W. Davies, *The Development of the Soviet Budgetary System* (1958), pp. 131-132; for defence expenditure by the budget in this period see p. 740 and Table No. 41, p. 973 below.

³ *S"ezdy Sovetov v Dokumentakh*, iii (1960), 139.

⁴ See pp. 868-869 below.

⁵ *Pyatnadtsatyi S"ezd VKP(B)*, ii (1962), 976, 991-993.

plan for the defence industries.¹ In his report on the five-year plan at the sixteenth party conference in April 1929, Krzhizanovsky, after reminding the delegates that the "peaceful interval" was "only temporary" and that "we shall often have to return to an evaluation of our plan from the point of view of the needs of defence", added that "one of the unelaborated sections of our five-year plan is the treatment of the needs of the military department", which "we may have somewhat underestimated".² In the debate which followed, Unshlikht, deputy People's Commissar for War, bluntly asserted that in defence matters "the five-year plan does not fully answer to our requirements", and demanded a clear establishment of priorities, the development of the production of substitutes, based on German experience, and a more rapid growth of production for military purposes in the first years of the plan. He drew particular attention to the importance of cooperation between war industry and civilian industry, and stressed the importance of the strategic location of industry and of "duplicating" all major technical processes in the interior of the country.³ The resolution of the conference confined itself to commending the "considerable improvement in the defensive capacity of the country" which the plan would bring about.⁴ However incomplete the plan may have been from the military standpoint, the need to build up new industries in the rear had been frequently emphasized in discussions about capital investment plans from the spring of 1927 onwards; ⁵ and this need was undoubtedly a major factor in determining the location of many major new construction projects incorporated in the plan, notably the Ural-Kuznetsk combine.⁶

(e) *New Construction*

The drive for self-sufficiency and for the introduction of advanced technology urgently posed the problem of the construction of new works and factories, specifically described in Soviet sources as "new construction". The extent to which

¹ *Torgovo-Promyshlennaya Gazeta*, April 26, 1928.

² *Shestnadsataya Konferentsiya VKP(B)* (1962), p. 49.

³ *Ibid.* pp. 242-245.

⁴ *KPSS v Rezolyutsiyakh* (1954), ii, 573.

⁵ See for example *Bol'shevik*, No. 14, July 31, 1927, p. 71; *Pyatnadsatyi S"ezd VKP(B)*, ii (1962), 993.

⁶ See p. 439 below.

investment should be allocated to new construction rather than to the extension and re-equipment of existing factories was the subject of protracted discussion.¹ In many branches of engineering, and in the iron and steel and textile industries, the choice was controversial ; the discussions were a variant of the more general dispute about new technology. The construction of new factories was opposed on the pragmatic grounds that it was expensive and would take longer. The advocates of new factories maintained that they were a means by which the most advanced technology could be introduced into the USSR, and would provide a nucleus and a training ground for the advanced economy of the future ; if the cost of the investment was high, the return would also be high, because the production costs of the new factories would be low. Moreover, while extensions to existing factories were located in established industrial areas, the construction of new factories would make possible the industrialization of undeveloped regions. The argument for new construction was put in an extreme form by Aleksandrov, designer of the Dnieper project, who contended that to introduce one or two new machines was often more costly than to employ more labour, and concluded that mechanization on the American pattern could not be transferred in part — “ *it is necessary that in a given enterprise everything should be mechanized from beginning to end* ” ; advanced technology must be introduced by means of complete projects which were carried out rapidly :

*There must not be artisan methods and a slow rate. Large capital expenditures will not tolerate this.*²

By 1926, new construction was strongly supported in industry. A critic in the journal of the Red directors observed that “ very, very many of our business managers, technicians and engineers,

¹ The line between a major extension to an existing factory and the construction of a new one was sometimes arbitrary : a delegate at a conference on heavy engineering, confronted with proposals to rebuild and extend the Kharkov locomotive works which would involve using only thirty per cent of the existing buildings and plant, remarked that “ trousers are being sown on to buttons ” (*Metall*, No. 5-6, 1929, p. 92). “ New construction ” was not always consistently defined : newly opened mines were treated as “ new construction ” in Donugol and as “ recapitalization and extension ” in Yugostal (*Puti Industrializatsii*, No. 6, 1928, pp. 40-42).

² *Torgovo-Promyshlennaya Gazeta*, November 18, 1926. The Dnieper project, the Turksib railway and other inter-departmental projects are discussed on pp. 896-915 below ; for a further quotation from Aleksandrov's speech see p. 908 below.

the huge majority of them, hold the deep-rooted conviction that the rationalization of the industrial economy is indissolubly connected with its fundamental reconstruction and renewal, with the construction of new enterprises"; industrialists were "mesmerized" by "dreams of 'Americanization' of our industry and plans and projects of new construction".¹ Party leaders and the senior officials in Vesenkha were at first often cautious about the extent to which new construction was feasible. As industrialization acquired momentum, however, the view that a major part of capital investment must be allocated to the construction of new modern factories was gradually accepted both in practice and in principle as a part of official policy. Stalin affirmed the principle at the fourteenth party congress when he spoke of the necessity of "embarking on the new construction of factories"; and he supported it in practice when he changed his position from a sceptic about Dnieprostroi to one of its principal advocates.² Among the party leaders, Kuibyshev was the most prominent and consistent public advocate of new construction. At the seventh trade union congress in December 1926, he firmly rejected the argument that it was more expedient to direct investment towards existing factories, retorting that "we must harden our hearts and extract more and more from our industrial budget for new construction every year"; if this were not done, no new technical base would ever be established.³ At the fourth Union Congress of Soviets in April 1927 he expressed the personal view that the amount allocated to new factories was insufficient.⁴

The second Vesenkha draft of the five-year plan compiled in the spring of 1927, while claiming that "no metaphysical solution of the problem" was possible, proposed that capital investment in new factories should reach 42 per cent of all investment in industry by 1931-1932.⁵ By the summer of 1927, Vesenkha had already made substantial progress in preparing outline plans of new

¹ *Predpriyatie*, No. 10, 1926, p. 13.

² For Stalin's speech see p. 273 above; for his views on Dnieprostroi see *Socialism in One Country, 1924-1926*, Vol. 1, pp. 355, 535.

³ *Sed'moi S"ezd Professional'nykh Soyuzov SSSR* (1927), pp. 557, 594.

⁴ *SSSR: 4 S"ezd Sovetov* (1927), pp. 255, 384-387; see also the criticism by a delegate from Nizhny-Novgorod *ibid.* pp. 322-323.

⁵ *Materialy k Pyatiletnemu Planu Razvitiya Promyshlennosti SSSR* (1927/28-1931/32 gg.) (1927), pp. 61, 550.

factories and securing approval for them. A booklet sent to press in August of that year listed all the factories under construction or projected by the Vesenkhas of the USSR and the republics and by the local Sovnarkhozy. The list included 391 factories with a total estimated cost of 891 million rubles;¹ and during 1928 and 1929 it was further extended as the production targets of the five-year plan for industry were increased. But, at the same time, desire to achieve an immediate increase in production tempted the authorities to divert resources from new construction to the renovation of existing factories and plant. In the autumn of 1927, STO rejected a proposal that most investment in the metal industry should be allocated to the construction of new factories, claiming that "the experience of other European countries, especially Germany, indicates that it is most expedient to industrialize the country by recapitalization and reorganization of production at existing enterprises".² Eighteen months later, a leading official of Rabkrin criticized Yugostal officials for "ill-considered and patently irrational expenditure of large sums" through concentration on new factories, and suggested that smaller outlays on existing factories might raise production by 30 per cent.³

In spite of hesitations and practical difficulties, the proportion of capital investment in industry allocated to the construction of new factories steadily increased; in 1928-1929, it amounted to about one-third of the total.⁴ This proportion was lower than had been proposed for that year in the Osvok plan,⁵ but approximately equal to the proportion proposed by Vesenkha in the spring of 1927.⁶ In Group A industries, the proportion of new

¹ A. Serebrovsky, *Ratsionalizatsiya Proizvodstva i Novoe Promyshlennoe Stroitel'stvo SSSR* (1927), pp. 101, 103-188; power stations were not included.

² SSSR: *Svodnye Materialy o Deyatel'nosti Soveta Narodnykh Komissarov i Soveta Truda i Oborony za I Kvartal (Oktyabr'-Dekabr') 1927-28 g.* (1928), p. 37.

³ *Pravda*, February 7, 1929; for a reply by Birman, see *Torgovo-Promyshlennaya Gazeta*, March 29, 1929. At the "industrial party" trial in 1930, a member of the court suggested that the decision to build a new factory rather than to expand the Putilov works had been an act of sabotage (*Le Procès des Industriels de Moscou* (Paris, 1931), p. 470).

⁴ In Union and republican industry, the proportion rose from 14 per cent in 1926-1927 to 27 per cent in 1927-1928 and 35 per cent in 1928-1929 (*Osnovnye Momenty Rekonstruktsii Promyshlennosti SSSR*, ed. S. Minaev (1931), p. 57).

⁵ See pp. 844-851 below.

⁶ *Pravda*, June 21, 1927; *Materialy k Pyatiletnemu Planu Razvitiya Promyshlennosti SSSR (1927/28-1931/32 gg.)* (1927), pp. 60-61, 550 ff.

construction throughout the period tended to be higher than in Group B industries ; new projects of Group B industries were treated less sympathetically by the authorities. The proportion of new construction was highest in the newer industries such as electric power and electrical engineering.¹ Most of the factories which benefited from the growth of investment in new construction were still uncompleted ; in 1928-1929, only 7 per cent of industrial production came from factories completed since the revolution.² The transformation of Soviet industry which was to be achieved in the next four years by the construction of large new works and factories employing advanced western technology had hardly begun.³

The contrast between the long-term aims of the advocates of new construction and the immediate requirements of the economy was most marked in the case of the iron and steel industry. The iron and steel industry recovered much more slowly after the civil war than the other major industries.⁴ In the later nineteen-twenties, production expanded rapidly ; but in 1928-1929 it only just exceeded the 1913 level, while according to the official statistics the production of Group A industries as a whole was over 80 per cent above the 1913 level.⁵ Even so, the recovery of the industry involved very large investments. In 1928-1929, iron and steel absorbed one-seventh of all investment in industry.⁶ But a far higher proportion of this investment was devoted to restoring and modernizing existing works than in other industries ; little was available for the construction of new iron and steel works. Nevertheless, the urgent need for new construction in the industry had long been felt, and the long-term programmes for new iron and steel works were far-reaching. In April 1925, the fourteenth

¹ *Osnovnye Momenty Rekonstruktsii Promyshlennosti SSSR*, ed. S. Minaev (1931), p. 57 ; *Ekonomicheskoe Obozrenie*, No. 10, 1929, pp. 121-123.

² *Osnovnye Momenty Rekonstruktsii Promyshlennosti SSSR*, ed. S. Minaev (1931), p. 94.

³ The problems of new construction in this period are further discussed in *Socialism, Capitalism and Economic Growth : Essays Presented to Maurice Dobb*, ed. C. H. Feinstein (1967), pp. 288-305.

⁴ See *Socialism in One Country, 1924-1926*, Vol. 1, p. 341, and pp. 271-272 above.

⁵ See Table No. 13 and 16, pp. 948, 951 below.

⁶ See Table No. 18, p. 953 below.

party conference resolved that "the building of new factories in the metal industry must be seen as a priority task";¹ and in June of that year Mezhlauk announced that new iron and steel works were to be designed during 1925-1926 and would be fully working in five years' time.² By the end of 1926, the most ambitious scheme had already taken shape. Three iron and steel works were to be constructed, giants by the standards of those days, one at Krivoi Rog in the Ukraine, one at what was then the "magnetic mountain" (Magnitnaya gora), later Magnitogorsk, in the Urals, and one at Telbes near Kuznetsk in Siberia.³ These three major plants were to produce between them 1.7 million tons of pig-iron a year; this would increase the capacity inherited from the Tsarist régime by 40 per cent, apart from the large extensions to existing works which were also planned. An important adjunct to these projects was the proposal for the construction at Sverdlovsk in the Urals of a large engineering factory to produce equipment for heavy industry, which had hitherto been mainly imported; this became known as Uralmashzavod or Uralmash.

The construction of iron and steel works in the Urals and in the Kuznetsk basin had been canvassed before the revolution. The Ural iron industry had gradually declined in importance ever since coke-smelting replaced charcoal-smelting in Britain at the end of the eighteenth century; the new works were intended to restore the importance of the Ural industry and provide the foundation for the industrialization of the Urals and Siberia. The version of the scheme which became most popular was known as the "Ural-Kuznetsk combine" or UKK, and proposed that the Magnitogorsk works should be supplied with coking coal from the Kuzbass on a rail haul of over 2000 kilometres.⁴ It was first suggested just before the first world war; and in 1917 the construction of a large modern works in the Kuznetsk basin was approved by the provisional government.⁵ The scheme was

¹ *KPSS v Rezolyutsiyakh* (1954), ii, 162.

² *Ekonomicheskaya Zhizn'*, June 17, 1925.

³ "Tel'besstroï" was renamed "Kuznetskstroï" on May 8, 1929 (*Protokol Zasedaniya Prezidiuma VSNKh SSSR, 1928-1929*, No. 17, *Prilozhenie*).

⁴ For a discussion of the Ural-Kuznetsk combine see F. D. Holzman in *Quarterly Journal of Economics*, lxxi (1957), 368-405.

⁵ *Trudy Komissii po Metallu pri Gosplane USSR*, vii (1926), 74, 77; *Byulleten' Gosplana*, No. 6-7, 1924, p. 14.

revived after the revolution ; and by the end of 1925 Ural engineers began to prepare detailed projects for both the Urals and the Kuznetsk basin.¹ The Sverdlovsk factory, though planned separately, came to be regarded as complementary to the UKK, and was also designed by the Ural engineers. It was at first intended to be a relatively small factory producing a wide range of engineering products, and for a long time it was uncertain where in the Urals it would be located.² By 1926, a firm plan was drawn up to build it on a virgin site some miles from the old provincial capital of Ekaterinburg, renamed Sverdlovsk, as a large works producing capital equipment for the iron and steel industry of the Urals and Siberia and containing its own casting department, brickyards and tool-making shops. The problem of fuel was solved in a startling and controversial manner by a proposal to use local peat, for which the works was to have its own peat-drying plant.³

The proposed location of these factories was continually in dispute. Sometimes the discussions turned on the technical advantages of one site or another within a particular area. Was it better to construct an iron and steel works at Krivoi Rog near the iron-ore, or at Zaporozhie half-way between the ore and the coal and closer to the Dnieper power station ?⁴ Should the Ural engineering works be built at Sverdlovsk, Chelyabinsk or Nizhny-Tagil ?⁵ But the basic dispute was whether major new factories should be built away from the well-established industrial complex of the Ukraine. The Ukrainian industrialists frequently and energetically put the familiar case for an already developed area ; Dimanshtein, an engineer who frequently represented the Gosplan of the Ukraine in official committees, was the most vocal protagonist of the Ukraine among the experts. He argued that the south would

¹ *Trudy Komissii po Metallu pri Gosplane USSR*, vii (1926), 81 ; *Torgovo-Promyshlennaya Gazeta*, October 27, November 18, 1928.

² E. Makarov, *Otets Zavodov : Ocherki iz Istorii Uralmashzavoda* (1960), pp. 8-9.

³ *Ibid.* pp. 7-9 ; G. Unpelev, *Rozhdenie Uralmasha (1928-1933 gg.)* (1960), p. 4 ; *Torgovo-Promyshlennaya Gazeta*, October 27, November 28, 1926 ; *General'nyi Plan Urala na Period 1917-1941 gg. i Perspektivy Pervogo Pyatiletiya* (Sverdlovsk, 1927), p. 263. The attempt to use peat to economize on standard fuels was a long-standing idiosyncrasy of Soviet policy, and was pursued at the Sverdlovsk factory, though with increasing difficulty, as late as 1933 (*Ural'skii Zavod Tyazhelogo Mashinostroeniya, 1928-1933* (1933), pp. 32-33).

⁴ *Torgovo-Promyshlennaya Gazeta*, September 9, October 28, 29, November 24, 1927.

⁵ *Ibid.* May 13, 1928.

dominate the process of industrialization in the future as it had before the revolution, and compared its role with that of the north-eastern and central states in the economic and political development of the United States.¹ The UKK had a major disadvantage in the very high cost of transporting the coke of the Kuzbass more than 2000 kilometres to the ore of the Urals; "the practice of capitalist countries", Dimanshtein remarked at a meeting of STO, "shows that it is not coal which is brought to ore, but ore to coal".² The cost of transporting iron ore to the new Kuzbass works, though lower, would also be excessive by normal economic standards.³ The Ukrainians further argued that the Ural iron ores were far inferior to those of Krivoi Rog, that the potential coke capacity of the south was quite sufficient, and that there were "insuperable barriers to the intensive growth of a Ural labour force".⁴ The metals commission of the Ukrainian Gosplan dismissed the Urals as of "declining importance as an iron and steel centre", and recommended that work on the Magnitogorsk project should cease forthwith.⁵ The proposal to construct a heavy engineering works in the Urals was resisted with almost equal vigour, even though in Vesenkha plans it was complemented by a proposal to expand the Kramatorsk works in the eastern Ukraine to serve Ukrainian industry.⁶

¹ *Trudy Komissii po Metallu pri Gosplane USSR*, xx (1927), 60-61.

² *Torgovo-Promyshlennaya Gazeta*, July 10, 1927. Repeated efforts were made to find a way of constructing an iron and steel centre in the Urals which would avoid the expensive shuttle service with the Kuznetsk basin. Possibilities for sources of coking coal which were discussed but not accepted included the use of Donbass coal (*ibid.* July 10, 1927), and the development of the coal mines of Karaganda or of the Tkvarchelsky district in Abkhazia (*Metall*, No. 10, 1928, pp. 64-66; *Pyatnadsatyi S'ezd VKP(B)* ii, (1962), 949). A vigorous drive was undertaken to find adequate stocks of coking coal in the Urals itself; as late as December 1928, STO issued an instruction that the Ural coal industry was to be developed so as to meet the needs of the Ural factories in full (*Torgovo-Promyshlennaya Gazeta*, December 23, 1928, see also *ibid.* May 15, 17, 1928; *Informatsionnyi Byulleten' Gosplana SSSR*, No. 3-4, 1928, p. 25).

³ *Trudy Komissii po Metallu pri Gosplane USSR*, xx (1927), 185-208, 221-223.

⁴ *Ibid.* vi (1926), 4; xii (1927), 4.

⁵ *Ibid.* xx (1927), 185-208, 221-233.

⁶ *Ibid.* xvi (1927), 4-5; xx (1927), 221-223. Ukrainian objections were not confined to developments in the Urals. The Rostov agricultural engineering project was said to be superfluous in view of the likely level of demand; Ukrainian factories were already working under capacity and were capable of cheap and rapid expansion as required (*ibid.* xx (1927), 225-226; *SSSR: 4 S'ezd Sovetov* (1927), 258, 313, 385-386); for objections to the location of the Stalin-grad tractor factory see p. 449 below.

The Ukrainian objections to the high transport costs involved in the UKK project were cogent ; the scheme was made workable only by special arrangements for low freight charges which involved considerable losses for the railways. But, to supporters of the UKK, Ukrainian special pleading seemed a misguided attempt to thwart the great opportunities facing the Soviet economy. The UKK was seen as a major step towards the development of the Soviet economy beyond the Urals.¹ The untapped resources of the Urals and Siberia were contrasted with the declining stocks of Donbass coking coal. If the problem of transport costs could be solved, the UKK would serve a market containing over a quarter of the whole Soviet population and 28 per cent of its industrial population, an area which would require at least one-and-a-half million tons of iron per year by the time the Magnitogorsk works were completed in 1932-1933.² The most substantial argument was based on defence considerations : after the war scare of the summer of 1927 the needs of defence played an increasing part in discussions about the development of the Urals and Siberia as a base for heavy industry, and about the UKK in particular. The Ural planning commission argued that " one-sided concentration of the iron and steel industry in the south " was strategically dangerous and that the armaments industry should be built up in the Urals ; this would increase the local demand for metal.³ I. V. Kosior, though he had worked in the Ukrainian industry, combined the economic and the strategic motives for giving priority first to Telbes and then to Magnitogorsk :

Here economics fully coincide with measures to meet the war danger : we shall get powerful metal giants far from the frontier and near to the consumer.⁴

A Siberian delegate to the fourth Union Congress of Soviets in April 1927 drew attention to another political aspect of the question :

If we want to have a sea, an ocean, and to influence that sea

¹ *Metall*, No. 5, 1927, pp. 143-144 ; *Torgovo-Promyshlennaya Gazeta*, July 10, 1927 ; for a parallel discussion about the Turksib project see pp. 900-901 below.

² Ural'skii Oblastnoi Iсполnitel'nyi Komitet : Uralplan, *Magnitogorskii Metallurgicheskii Zavod* (1928), pp. 11, 13-14.

³ *Ibid.* pp. 10, 17.

⁴ *Torgovo-Promyshlennaya Gazeta*, August 10, 1927 ; for Kosior see p. 315 above.

and ocean, the Great Pacific Ocean, as we influence the Baltic in Leningrad, we must create conditions and circumstances for that influence. It is in industrializing the territory, in establishing and bringing to life the *Ural-Kuznetsk problem* [sic], in building an iron and steel works, that we shall acquire both a proletariat and political influence on Mongolia and China.¹

Most of these major projects for new construction received official sanction in 1926 or in the first half of 1927. Some time in 1926 the proposal for the Sverdlovsk factory was approved by the Sovnarkom of the RSFSR, though not yet by the Sovnarkom of the USSR.² At the seventh trade union congress in December 1926, Kuibyshev reported that both the Magnitogorsk works and a "large" engineering works near Sverdlovsk had already been decided on; he added that, while the most rapid development of the iron and steel industry must take place in the south, "one of the largest works in the country" must also be built beyond the Urals in Siberia itself.³ For the moment, however, no decisive steps were taken by the central authorities. Mezhlauk contrasted the relative neglect of the Magnitogorsk project, which would "lay the foundation of a completely new period in the history of Ural industry", with the attention given to the Turksib railway;⁴ the latter, together with the Dnieper project, was given a substantial allocation of funds in December 1926 after a series of governmental and party meetings at the highest level.⁵ The metal industry projects continued to lag behind the Turksib and Dnieper projects. But from the early summer of 1927 onwards, with the increasing emphasis on industrialization and on defence preparations, matters moved more rapidly. On May 12, 1927, a resolution of the central committee of the party drew attention to the delays in planning and constructing new factories in the metal industry, and recommended measures for speeding up the work.⁶ In the following month, at a series of meetings held within a few weeks

¹ SSSR : 4 S"ezd Sovetov (1927), p. 359.

² E. Makarov, *Otets Zavodov : Ocherki iz Istorii Uralskikh zavodov* (1960), pp. 12-13.

³ *Sed'moi S"ezd Professional'nykh Soyuzov SSSR* (1927), pp. 580-581, 586.

⁴ *Torgovo-Promyshlennaya Gazeta*, December 14, 1926.

⁵ See pp. 903-907 below.

⁶ *Direktivnyy KPSS i Sovetskogo Pravitel'stva po Khozyaistvennym Voprosam*, i (1957), 715-717.

of each other, STO authorized the project of Dnieprostroi;¹ agreed to the construction of the engineering factory in the Urals, confirming three months later that it should be built "in the area of the town of Sverdlovsk";² and approved the construction of the Krivoi Rog and Telbes (Kuznetsk) works. It still hesitated about Magnitogorsk; while stressing "the extreme necessity of constructing an iron and steel works in the Urals", it postponed a decision until final data had been presented.³

The adoption of these decisions did not imply that the projects to which they related were complete, or that the course of future industrial development was clearly charted. Major changes were frequent. When the detailed projects were prepared, the cost of the iron and steel works in particular proved to have been greatly underestimated: estimates amounting to some 180 million rubles in the autumn of 1926 had been increased to 500 million rubles by the beginning of 1929.⁴ The increased strain which this placed on resources did not prevent, however, the approval of further proposals for major new factories, particularly during the early months of 1929. In the iron and steel industry, additional major works accepted for immediate construction included one at Zaporozhie in the Ukraine and another at Alapaevsk in the Urals; each of these was to have a capacity of 650,000 tons, equal to that proposed for Krivoi Rog and Magnitogorsk, and the Zaporozhie works at least was scheduled for completion by the last year of the five-year plan, 1932-1933.⁵

¹ For the approval of the Dnieprostroi project, announced on June 12, 1927, see p. 907 below.

² *Pravda*, June 10, 1927; E. Makarov, *Otets Zavodov: Ocherki iz Istorii Uralmashzavoda* (1960), p. 14; *Torgovo-Promyshlennaya Gazeta*, September 16, 18, 1927.

³ *Ibid.* July 10, 1927.

⁴ The following table shows estimated costs of the three iron and steel works at different dates (in million rubles):

	October 1926	August 1927	January 1929
Krivoi Rog	80	81	188
Magnitogorsk	60	118	183
Telbes	41	80	130

(The first column is from *Torgovo-Promyshlennaya Gazeta*, October 27, 1926; the second from A. Serebrovsky, *Ratsionalizatsiya Proizvodstva i Novoe Promyshlennoe Stroitel'stvo SSSR*, pp. 113-114, 116; the third from *Torgovo-Promyshlennaya Gazeta*, January 13, 1929.)

⁵ *Pyatiletnii Plan Narodno-Khozyaistvennogo Stroitel'stva SSSR* (1929), i, 42.

This impressive programme was put into operation very slowly. Throughout industry funds for the construction of new factories were made available less rapidly than had been originally proposed.¹ It was most difficult of all to find resources for this group of large new factories, from which output could not be expected for several years. The constantly expanding estimates of costs and the stringency of financial resources resulted in long delays in beginning the work of construction, and encouraged the reopening of decisions which appeared to have been irrevocably taken. The Sverdlovsk project was particularly exposed to reversals of fortune. In May 1928, the technical council of Giprometz examined it at a conference lasting several days; and during the discussion the desirability of the whole project was openly challenged. It was wrongly alleged that STO had committed itself only to the Urals without naming a town. Speakers also claimed that an alternative site at Chelyabinsk had never been properly examined; that skilled labour would be difficult to find; that too many items of minor equipment were included in the proposed production of the factory; and that installations were too expensive. The economic section of the council objected to the use of peat as a fuel. The published report of the conference summarized the mood of the council about the project as one of "disquiet".² The final project was eventually approved by Glavmetall on June 1, 1928, but only after substantial changes had been made by Giprometz.³ Meanwhile work went forward on the spot. The Sverdlovsk project seems to have depended less on technical assistance from abroad than the other major projects, and relied more on local initiative. The building organization had been established by the Ural Sovnarkhoz without central approval in December 1926, and was not formally brought under control of the Vesenkha of the USSR until March 1929.⁴ The first builders began to clear the site and put up temporary dwellings in 1927; and on July 15, 1928, the ninth anniversary of the liberation of the Urals from Kolchak, the foundation-stone was formally

¹ See p. 434 above.

² *Torgovo-Promyshlennaya Gazeta*, May 13, 18, 19, 1928.

³ G. Unpelev, *Rozhdenie Uralmasha (1928-1933 gg.)* (1960), p. 6.

⁴ E. Makarov, *Otets Zavodov : Ocherki iz Istorii Uralmashzavoda* (1960), p. 10; G. Unpelev, *Rozhdenie Uralmasha (1928-1933 gg.)* (1960), p. 14.

laid.¹ The difficulties were not at an end. In August 1928, the original allocation for 1928-1929 of 6.5 million rubles was cut to 2.5 million rubles.² Even this reduced grant was maintained only as a result of vigorous pressure from the Urals.³ Similar, though less dramatic, clashes occurred over both the Magnitogorsk and the Krivoi Rog iron and steel plants. These controversies probably owed much of their acrimony to the tense atmosphere of 1928, when the intensity of the drive for industrialization began to arouse sharp opposition both within the party and among an important section of the non-party specialists. Objections were treated by party leaders and by those specialists who supported the projects as examples of delaying tactics and dismissed with impatience. "*It is time to finish the discussion*", wrote the chief engineer of the Ural branch of Gipromez: the job of constructing the UKK would take six or seven years in any case, and they should get on with it.⁴

After the defeat of the Right at the November 1928 session of the central committee a more resolute approach to the problems of industrialization was adopted; the delays and doubts which had beset the projects during 1928 were swept aside in the early months of 1929. On December 12, 1928, the presidium of Vesenkha resolved that the construction of both the Magnitogorsk and the Kuzbass works should begin in 1928-1929, using foreign technical assistance "to the maximum".⁵ In January 1929, Gosplan and Vesenkha finally approved the UKK, and included both works in the draft five-year plan.⁶ At the same time, by expanding their

¹ For reports of progress in constructing Uralmashzavod see *ibid.* p. 16; *Ural'skii Zavod Tyazhelego Mashinostroeniya, 1928-1933* (1933), pp. 11, 130; *Uralmash: Rasskazy Uralmashevtsev o Svoem Zavode* (1958) pp. 5, 35.

² *Shestnadtsataya Konferentsiya VKP(B)* (1962), pp. 94-95; *Uralmash: Rasskazy Uralmashevtsev o Svoem Zavode* (1958), p. 36; a young engineer on the site commented in a letter that the reduced grant was a "drop in the ocean", and would mean that construction in the summer of 1929 would be confined to the completion of the buildings which had already been started.

³ G. Unpelev, *Rozhdenie Uralmasha 1928-1933 gg.* (1960), p. 6. The amount actually spent on the construction of the factory in 1928-1929 was eventually reported to have been 4.7 million rubles (*Ural'skii Zavod Tyazhelego Mashinostroeniya, 1928-1933* (1933), p. 152).

⁴ *Torgovo-Promyshlennaya Gazeta*, November 18, 1928.

⁵ *Protokol Zasedaniya Prezidiuma VSNKh SSSR, 1928-1929*, No. 2, *Pri-lozhenie*, art. 127.

⁶ *Torgovo-Promyshlennaya Gazeta*, January 9, 13, 1929; the projects for both the Krivoi Rog and the Magnitogorsk works were approved by Gipromez early in 1929 (*Byulleten' Gipromeza*, No. 1-2, 1929, p. 64).

plans to include the Zaporozhie works as well as Krivoi Rog, they went some way towards meeting Ukrainian objections.¹ A terse minute of the presidium of Vesenkha reflected the new priority to be given to these major projects :

Speed up the establishment of the Krivoi Rog building trust. Propose to the department of financial policy [of Vesenkha] that it seek resources needed to create this organization. Fix the beginning of investment from the first quarter of 1929-1930. Glavchermet to include the necessary sums in the 1929-1930 control figures.²

All these projects were listed in the five-year plan approved in the spring of 1929 : Krivoi Rog and Magnitogorsk works were to be completed in the year 1932-1933 and the Kuznetsk works in the year 1933-1934 ; Uralmashzavod and the " full reconstruction " of the Kramatorsk works in the Ukraine were both to be completed during the five-year period.³ During the course of the next few years, they became the outstanding example of new construction in an existing industry.

Besides new construction in existing industries the drive for self-sufficiency and new technology called imperatively for the creation of major new industries. The motor and aircraft industries, and the large-scale production of tractors and machine tools, indisputably required a major effort to construct new factories ; the question of substance was whether and how fast each new industry should be developed.

The rapid development of the motor industry in western Europe and the United States emphasized the contrast between the industrialized west and the USSR. In the west, the lorry had become a major means of goods transport by the middle nineteen-

¹ The total planned expenditure on new industrial objects, as distinct from re-equipment and extensions to existing plant, in the five-year plan as approved in the spring of 1929 was 1539 million rubles (in 1926-1927 prices) in the Ukraine as against 1208 millions in the Ural region and 502 millions in the Siberian region (*Ob'ekty Novogo Stroitel'stva Gosudarstvennoi Promyshlennosti na Pyatiletie* (1929), pp. 24, 29, 34).

² *Protokol Zasedaniya Prezidiuma VSNKh SSSR, 1928-1929*, No. 19, art. 523.

³ *Pyatiletnii Plan Narodno-Khozyaistvennogo Stroitel'stva SSSR* (1929), i, 46 ; *Ob'ekty Novogo Stroitel'stva Gosudarstvennoi Promyshlennosti na Pyatiletie* (1929), pp. 21, 26, 31.

twenties ; and in the United States the family motor-car was produced in millions. In Russia, the motor industry had scarcely even a rudimentary existence before the first world war, when a few hundred cars were produced at a factory in Riga ; in 1916, the Tsarist government had signed contracts with foreign companies for the construction of five motor works with a total capacity of ten thousand vehicles a year. Construction was far from complete by the time of the revolution ; during the civil war and the early nineteen-twenties, it was very difficult even to keep the few existing vehicles in repair. The Soviet industry began in 1924 with the production of Fiat-type lorries at the AMO works in Moscow ; in 1926-1927 some five hundred lorries and a handful of cars were manufactured in Moscow and Yaroslavl.¹ But, while even India had some 100,000 motor vehicles, the total stock of lorries and cars in the USSR by 1927 was only about 12,000 : many of these were old and almost all of them imported. In Moscow and Leningrad the passenger car was often an official seven-seater chauffeur-driven luxury model ; and even in the main cities the *izvozchik* still plied for hire. Outside the towns, mud and snow made the dirt roads impassable for much of the year ; as one pessimistic economist commented :

To develop the motor-car in our country we lack the main thing — roads.²

The assumptions of Gosplan about the long-term prospects of the industry were at that time very modest. Scepticism was shared in Vesenkha ; a Glavmetall proposal that 121 million rubles should be invested in the industry over five years, which would have made possible an output of 10,800 vehicles per year, was cut by more than half in the Vesenkha draft of the five-year plan prepared in the spring of 1927.³

In the summer of 1927, the Soviet automobile momentarily became a focal point of the enthusiasm for industrialization and

¹ *Metall*, No. 11-12, 1927, pp. 161-164 ; No. 1, 1928, p. 14 ; *Sovetskoe Narodnoe Khozyaistvo v 1921-1925 gg.* (1960), p. 167 ; *Promyshlennost' SSSR v 1927/28 godu* (1930), p. 261.

² *Planovoe Khozyaistvo*, No. 5, 1926, pp. 169-176 ; *Pravda*, July 20, 1927.

³ *Pravda*, July 21, 1927 ; at the second Gosplan congress in March 1927, Bazarov heatedly criticized the idea of establishing a Soviet motor or tractor industry on the grounds that demand was not sufficient to make cheap mass production possible (*Planovoe Khozyaistvo*, No. 5, 1927, pp. 12-14).

modern technology. The prime mover in this change of mood was Osinsky, who visited the United States in his capacity as president of the Central Statistical Administration, and was carried away by the American motor-car industry. In July 1927, he published in *Pravda* a dramatic series of articles under the general heading *American Car or Russian Cart*, putting forward the slogan "Every worker and peasant in a car within 15 to 20 years!" He suggested that the link with the peasant should take the physical form of the Russian farmer driving to town; the "impassable (*neproezhaya*) Russia" of the poets was incompatible with industrial Russia. Mass production within the USSR, and possibly collective purchase, would make the motor-car cheap enough for the ordinary worker and peasant: in America, owing to cheapness and hire purchase, it was no longer a "bourgeois carriage".¹ Osinsky's articles offered a not unusual combination of technological vision and utopianism: the large-scale provision of heavy lorries which could negotiate the primitive Russian roads was a more feasible proposition than the construction of millions of small family cars, which would have required a revolution in road surfaces. The two issues were confused by Osinsky and not clearly separated by contributors to the discussion on his articles, who were clearly worried by Osinsky's lack of realism. Even Strumilin, while declaring that Osinsky's idea was "entirely right" in principle, was sceptical about short-term prospects. He pointed out that no large demand for cars could be expected from workers or peasants; it was more urgent to concentrate on general engineering. Mass production of cars in Russia would be a case of trying "to shoe a flea": "we have a greater need for the better use of the horse". Gartvan, the senior Gosplan specialist concerned with the metal group of industries, declared firmly that the scheme was "extremely exaggerated", and that it would be much longer than Osinsky supposed before every worker and peasant could have a car; industrialization would be a gradual process, unacceptable though that might be to many people, and could take place "even without the mass manufacture of cars".² But perhaps the distance

¹ *Pravda*, July 20, 21, 22, 1927.

² *Pravda*, August 14, 1927; for a suggestion that the collective use of cars would make them more accessible to the mass of the population see *ibid.* August 17, 1927.

to be travelled by the Soviet industry was most graphically illustrated by a report of the conversion into fire-engines of a couple of hundred old cars which had previously been dumped.¹

The first practical decisions to undertake the new construction essential to the establishment of the industry were cautious. In August 1927, the construction in Moscow of the first Soviet motor works was authorized. This was a relatively small affair; it was to have a capacity of 10,000 vehicles a year, and amounted to no more than combining into a single unit the plans for several small factories already approved by the Tsarist government.² Even so, the Sovnarkom of the USSR, anxious to limit the financial commitment of the Union authorities, transferred the project to the Sovnarkom of the RSFSR, which in turn decided that the Moscow Soviet, which had shown most enthusiasm for the plan, should bear the cost of construction and the administrative responsibility.³ Eighteen months later, a much more ambitious scheme was adopted. After the usual prolonged controversy about the most appropriate site, the presidium of Vesenkha resolved at the beginning of April 1929 to construct a factory with a capacity of 100,000 vehicles a year at Nizhny-Novgorod, 400 kilometres east of Moscow;⁴ and this decision was reported by Kuibyshev to the sixteenth party conference later in the month.⁵ This decision seemed to have been upset when, on May 30, 1929, the presidium of Vesenkha passed a resolution to split the proposed output between three new works.⁶ But the merits of the original scheme prevailed; and in June a contract was signed with Ford to build the Nizhny-Novgorod factory on the basis of a planned annual output of 200,000 vehicles within ten years.⁷ Even now ideas about the future shape of the industry were rather vague; it was

¹ *Metall*, No. 5-6, 1928, p. 27.

² *Pravda*, August 28, 1927.

³ *Ibid.* September 7, 1927; *Torgovo-Promyshlennaya Gazeta*, September 7, 1927.

⁴ *Protokol Zasedaniya Prezidiuma VSNKh SSSR, 1928-1929*, No. 16, art. 378 (April 1-6, 1929). On April 23, 1929, Sovnarkom instructed Vesenkha to arrange to complete the construction of the factory within three years (*Sobranie Zakonov, 1929*, No. 29, art. 218); when the town was later renamed Gorky, the factory became known as the Gorky Motor Works (GAZ).

⁵ *Shestnadsataya Konferentsiya VKP(B)* (1962), p. 63; at the conference, Osinsky called for a second factory which would produce 500,000 vehicles a year (*ibid.* pp. 150-151).

⁶ *Protokol Zasedaniya Prezidiuma VSNKh SSSR, 1928-1929*, No. 20, art. 569.

⁷ *Metall*, No. 8, 1929, p. 37; *Pravda*, June 6, 7, 1929.

still assumed that more personal cars were to be produced than lorries.¹ In the event, the motor industry became predominantly a producer of heavy lorries for use by industry and agriculture rather than of individual means of transport.

Side by side with the automobile industry, and quickly assuming more immediate importance, a start was also made on the establishment of a tractor industry. Tractors were produced on a modest scale at the Putilov works in Leningrad and at the Kharkov locomotive works.² At the Putilov works, the former cannon shops were converted into a new tractor shop, and the factory made an exact copy of the American Fordson, taking ten tractors apart to get the dimensions of every part. The factory claimed to have reduced its initially high costs by four-fifths, so that the Putilov tractor cost only 50 per cent more than its American counterpart.³ At the fourth Union Congress of Soviets in April 1927, a representative of the Volga German autonomous SSR pointed out that the republic already had a small tractor factory organized on mass production lines, and complained that "unlike the Putilov works, we can show colossal technical achievements, but no attention whatsoever is paid to it".⁴ The number of Soviet-built tractors supplied to agriculture rose from 457 in 1924-1925 to 2800 in 1928-1929;⁵ and the five-year plan target for the Putilov works was eventually increased from five thousand to ten thousand tractors a year.⁶ In the second half of the nineteen-twenties the ratio of Soviet-produced tractors to the total number supplied to agriculture rose from 5.6 per cent in 1925-1926 to 29.6 per cent in 1928-1929; the total number supplied, however, was smaller in the latter year.⁷ The mass supply of Soviet-produced tractors became possible in the nineteen-thirties only through the construction of large new factories.

¹ *Metall*, No. 8, 1929, pp. 43-46, reported estimates of requirements ranging up to 790,000 cars and "a minimum" of 350,000 lorries.

² For earlier developments see *Socialism in One Country, 1924-1926*, Vol. 1, pp. 321-325.

³ *SSSR : Tsentral'nyi Ispolnitel'nyi Komitet 3 Sozyva : 3 Sessiya* (1927), pp. 913-916.

⁴ *SSSR : 4 S"ezd Sovetov* (1927), pp. 330-331.

⁵ See Table No. 10, p. 945 below; *Metall*, No. 12, 1929, p. 74.

⁶ *Materialy k Dokladu V. V. Kuibysheva o Pyatiletnem Plane Razvitiya Promyshlennosti* (1928), p. 9; *Torgovo-Promyshlennaya Gazeta*, July 26, 1928.

⁷ See Table No. 10, p. 945 below.

The plan to establish a mass-production tractor factory at Stalingrad was already far advanced by the end of 1925.¹ Its foundation-stone was laid after two postponements in July 1926, before construction had received final and formal authorization from STO or Sovnarkom;² by then it had already been decided that production would be insufficient to make the light Fordson tractor which was produced at the Putilov works an economic proposition, and that the new factory should therefore concentrate on the heavier International tractor, which could be economically produced in smaller numbers.³ On September 9, 1926, the factory was officially named after Dzerzhinsky.⁴ Early in 1927 Ukrainian industrialists were still fighting a rearguard action against the location of the tractor factory at Stalingrad, and obtained some support from a commission of Rabkrin, which argued that the factory ought to be closer to Dneprostroi and to the projected Krivoi Rog iron and steel works.⁵ The economic argument for locating it in Stalingrad, however, continued to prevail. Here it would be close to its principal markets in the North Caucasian and Volga regions; supplies would be easily accessible along the Volga route, and eventually along the Volga-Don canal; and a suitable metal works — the Krasnyi Oktyabr works — was available in the neighbourhood for producing high quality steels.⁶ On April 1, 1927, STO finally decided to proceed with the Stalingrad factory; on July 1, it endorsed the proposed capacity of 10,000 tractors a year.⁷ At the fifteenth party congress in December 1927,

¹ See *Socialism in One Country, 1924-1926*, Vol. 1, p. 323; N. Dodge and D. Dalrymple in *Soviet Studies*, xviii (1966), 164-165.

² *Torgovo-Promyshlennaya Gazeta*, May 12, July 10, 14, 1926; in 1926 the chief concessions committee unsuccessfully approached Ford with a proposal to construct a tractor factory (*Soviet Studies*, xviii (1966), 165-166).

³ A spokesman of Glavmetall later estimated that for efficient production of the Fordson an output of 90 or 100 thousand tractors per year was required, and that "we cannot achieve such a scale of work" (A. Vetlyugin and Yu. Grozny, *Stalingradskomu Traktornomu Zavodu 20 let* (1950), p. 10; *Informatsionnyi Byulleten' Gosplana SSSR*, No. 5-6, 1927, pp. 33-36).

⁴ *Torgovo-Promyshlennaya Gazeta*, September 15, 1926.

⁵ *Pravda*, March 15, 1927.

⁶ *Ibid.* April 2, 1927; A. Serebrovsky, *Ratsionalizatsiya Proizvodstva i Novoe Promyshlennoe Stroitel'stvo SSSR* (1927), p. 120.

⁷ V. Danilov, *Sozдание Material'no-Tekhnicheskikh Predposylok Kollektivizatsii* (1957), p. 287; *Pravda*, May 11, 1927; *Torgovo-Promyshlennaya Gazeta*, July 8, 1927; *Metall*, No. 10, 1928, pp. 81-82.

Voroshilov expressed impatience at the slow progress of the factory, and Chubar complained that "if we advance in the matter of the supply of tractors at the same rate as in the present year, we shall make no revolution in agriculture".¹ During 1928, plans for the mechanization of agriculture expanded rapidly, and the initial proposals for the capacity of the Stalingrad factory were thoroughly revised. In July 1928, the planned capacity was raised from 10,000 in one shift to 20,000 in two shifts, and the completion date was brought forward to the end of 1930.² In the autumn of the same year planned capacity was further increased to 40,000 tractors a year and a more powerful type of tractor from the International range was decided on.³ At this stage some of the principal engineers in Giprometz are said to have resisted the large expansion proposed on the grounds that it was unrealistic to try to construct a factory which was larger than any American tractor works.⁴ In the spring of 1929, the final draft of the five-year plan reported that the capacity of the factory would be 50,000 tractors a year; the estimated cost of constructing it increased from 16 million rubles in 1926 to 77 million in 1929.⁵ Work at the site had begun on a small scale in 1928; in November 1928 the party central committee resolved that construction of the factory should be speeded up;⁶ in 1929, work proceeded rapidly. The American John Calder, who had been responsible for building the Ford factories in America, was appointed chief building engineer.⁷ Meanwhile Kuibyshev proposed at the end of 1928 that a second large factory should be built in the Urals with a similar capacity to the Stalingrad factory;⁸ at the sixteenth party conference in April 1929 Skrypnik insisted that this second factory should be built in the

¹ *Pyatnadsatyi S'ezd VKP(B)* ii, (1962), 986, 998.

² *Torgovo-Promyshlennaya Gazeta*, July 26, 1928. In 1926, the factory was to be built in three years (*ibid.* July 14, 1926); in 1927, Kuibyshev reported that it would be completed in four or five years (*SSSR: 4 S'ezd Sovetov* (1927), p. 258).

³ *Soviet Studies*, xviii (1966), 166.

⁴ A. Vetlugin and Yu. Grozny, *Stalingradskomu Traktornomu Zavodu 20 Let* (1950), p. 11.

⁵ *Torgovo-Promyshlennaya Gazeta*, October 27, 1926; *Pyatiletnii Plan Narodno-Khozyaistvennogo Stroitel'stva SSSR* (1929), i, 47.

⁶ *KPSS v Rezolyutsiyakh* (1954), ii, 533.

⁷ For an account of work at the site and its problems, see I. Taskaev, *Pervyi Traktornyi* (Saratov, 1930), pp. 7-8, 11-14, 19-28.

⁸ *Materialy k Dokladu V. V. Kuibysheva o Pyatiletnem Plane Razvitiya Promyshlennosti* (1928), p. 9.

Ukraine.¹ Within a few months, the construction of new tractor factories both in the Urals at Chelyabinsk and in the Ukraine at Kharkov was authorized.²

Those who remained sceptical about the rapid expansion of the automobile and tractor industries often argued that, without resort to imports, the problem of supplying these industries with materials and components could not be solved in a short period: early in 1928 one writer suggested that it would be seven years before enough high quality steels could be produced even for an output of twelve thousand vehicles a year.³ When the project for the Stalingrad factory was prepared in the spring of 1928, it was decided in principle that such items as ball-bearings and magnetos for the tractor, motor and aircraft industries should be produced within the USSR.⁴ A year later, on May 30, 1929, the presidium of Vesenkha established a special commission of experts under the presidency of Dolgov, a non-party engineer and a member of the presidium of Vesenkha, to investigate the supply of special steels to the vehicle, tractor and other industries; one of its functions was to prepare directives to Giprometz to enable it to draw up a project of a metallurgical base for the motor industry.⁵ These were

¹ *Shestnadsataya Konferentsiya VKP(B)* (1962), p. 16. On April 23, 1929, the day on which the party conference opened, Sovnarkom authorized Vesenkha to begin to construct a second tractor factory in 1929-1930, without naming the location (*Sobranie Zakonov*, 1929, No. 29, art. 268); on May 18, 1929, the fourteenth All-Russian Congress of Soviets proposed that the construction of a tractor factory at Chelyabinsk in the Urals should begin in 1929 (*S"ezdy Sovetov v Dokumentakh*, iv, i (1962), 120); at the fifth Union Congress of Soviets later in the same month Kuibyshev reported that a second tractor factory was to be constructed in the Urals, and strongly hinted that a third factory would be built in the Ukraine (*SSSR: 5 S"ezd Sovetov* (1929), No. 9, p. 17).

² *Shestnadsataya Konferentsiya VKP(B)* (1962), p. 771. On the eve of the collectivization of agriculture the Soviet automobile and the Soviet tractor were symbols of the future industrialization of agrarian Russia: Stalin in November 1929 summed up the prevailing mood in the party: "We are becoming a metal country, a motorized country, a tractorized country. And when we have seated the USSR in an automobile and the muzhik on a tractor, let the esteemed capitalists, who boast about their 'civilization', try to catch us up then. We shall see in due course which countries can then be placed among the backward and which among the advanced" (Stalin, *Sochineniya*, xii, 135).

³ *Metall*, No. 1, 1928, pp. 16-23.

⁴ *Torgovo-Promyshlennaya Gazeta*, April 5, 1928.

⁵ *Protokol Zasedaniya Prezidiuma VSNKh SSSR*, 1928-1929, No. 20, art. 570; for Dolgov see also p. 904 below.

only the major aspects of the problem of supplying materials and components. Vesenkha had to plan what factories should produce, and in what quantities, such items as bolts and fastenings, springs, drivers' tools, electrical equipment, tyres, brake-linings, glass, paints and lacquers, and artificial leather, and to make arrangements for the production of appropriate grades and quantities of petrol and oil for use by the future tractors, vehicles and aircraft. It also had to plan repair bases and stores of spare parts, and arrange the training of drivers, engineers and technicians. The development of the tractor and motor industries became an important influence on the development of industry as a whole : as well as being complicated and novel, the components and materials required were quantitatively of major significance in a number of industries. Nearly all the *glavki* of Vesenkha and the central staff of its presidium were involved in the work, and important matters were considered by STO and even by the Politburo. The intricate and interconnected development of new industries and products which was required had been handled in the west by the entrepreneur and the market mechanism. In the USSR it increasingly became part of the daily activities of central government : it was the stuff of the centralized planning of industrialization.