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THE  
SOVIET PLANNED  
ECONOMIC ORDER

By WILLIAM HENRY CHAMBERLIN

*Author of "Soviet Russia"*

WORLD PEACE FOUNDATION

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1931

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## INTRODUCTION

**T**HE Soviet Union to-day is a most inviting and comprehensive field of research for the economics student. A country whose territory occupies over one seventh of the surface of the globe is reorganizing its whole economic life along socialist lines, discarding and repudiating many of the accepted laws of capitalist economy. Quite possibly the future historian will regard the Soviet experiment in planned economics as one of the most important events of the twentieth century.

A detailed history of Soviet economic development might easily reach encyclopedic proportions. In the present work I have tried to show how the element of planning assumed steadily larger proportions in Soviet life, culminating in the adoption of the Five-Year Plan of national development, and how this plan has functioned in operation. My sources of information have been threefold:

## INTRODUCTION

Soviet books, magazines and newspapers; personal observation and study of living and working conditions in town and country, and conversations with Soviet officials and experts in the economic departments of the state.

In this connection I am glad to acknowledge my gratitude and indebtedness to representatives of the All-Union and All-Russian State Planning Commissions and of the Supreme Economic Council, both for information which they communicated to me orally and for their kind assistance in procuring economic books of reference. Of course, I alone am responsible for the selections which I made from the material at my disposal and, in general, for the interpretative aspects of the work.

WILLIAM HENRY CHAMBERLIN.

Moscow, January 16, 1931.

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## **APPENDICES**

## APPENDIX I

**Resolution of the Fifth Congress of Soviets, Moscow, May 28, 1929<sup>1</sup>**

### THE FIVE-YEAR PLAN OF ECONOMIC DEVELOPMENT

Having heard the reports of Comrades G. M. Krzhizhanovsky and V. V. Kuibishev, the Fifth All-Union Congress of Soviets approves the Five-Year Plan of national economic upbuilding of the Soviet Union, approved by the Government, and decides:

1. To note that the enormous advantages of the Soviet economic system and the correct economic policy of the Soviet power, based on the firm union of the working class with the poor and middle class layers of the village, guaranteed within a short time the reestablishment of the economic life of the Soviet Union above the prewar level and brought the country on the road of socialist reconstruction. The Five-Year Plan proposed by the Government, being a developed program of socialist reconstruction of economic life, corresponds with the general course of the Soviet power toward the industrialization of the Soviet Union, toward the socialist reconstruction of the village, toward the overcoming of capitalist, and the consequent strengthening of socialist, elements in the economic order of the country, and toward the raising of the defensive capacity of the Soviet Union.

At the same time the Congress observes with satisfaction

<sup>1</sup> Translated from Bulletin No. 22 of the Decisions of the Congress, p. 9-14.

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the decisive economic and cultural upswing of the backward regions and nationalities of the Soviet Union, contemplated by the Five-Year Plan.

2. The Congress approves the power provisions of the Five-Year Plan and the broad program of electrification which lies at its base. This program contemplates the increase of the capacity of the regional electrical stations from 500,000 kilowatts at the beginning to 3,200,000 kilowatts at the end of the Five-Year Plan. In full accordance with the Eighth Congress of Soviets of the Russian Socialist Federative Soviet Republic, which in 1920, upon the initiative of Comrade Lenin, confirmed a plan of electrification, the Congress considers that the problems of building and extending 42 regional electrical stations and of constructing the biggest industrial combination plants around powerful electrical stations — problems which are outlined by the Five-Year Plan — are the decisive prerequisite for the realization of the scheme of reconstruction of the national economic life, and for the successful accomplishment of the slogan proclaimed by the Communist Party: “To overtake and outstrip the leading capitalist countries in technique and economic organization.” The Congress observes that the program of socialist industrialization projected in the Five-Year Plan, which finds expression in the growth of industrial production by more than two and a half times, in the strengthening of the positions of heavy industry and in the scope of capital building, defined for industry at 16,400,000,000 rubles for the five-year period, is in full harmony with the power provisions of the plan, with the idea of strengthening the chemical industries of the country and with the problems of reconstructing all branches of economic life which are set down by the plan.

The Congress commends to the special attention and observation of the Government those productive tasks for the

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end of the Five-Year Plan which are contemplated in the plan and which are decisive for the socialist industrialization of the country: the output of 22,000,000,000 kilowatt-hours of electrical energy, 75,000,000 tons of coal, 22,000,000 tons of oil, and 10,000,000 tons of pig iron; strong development of the chemical industry of the whole country, and especially the production of more than 8,000,000 tons of mineral fertilizers; general machine building of an annual value of 2,000,000,000 rubles; agricultural machinery building to the value of 610,000,000 rubles; and the output of 53,000 tractors annually.

In regard to the strengthening of the defensive capacity of the Soviet Union the Congress commissions the Government, in executing the Five-Year Plan, to take concrete measures guaranteeing the development of those branches of economic life which are inseparably connected with the defensive capacity of the country.

3. The Congress especially approves the broad program of outliving the backwardness of agriculture indicated by the Five-Year Plan, the increase of its productive forces in full harmony with the sweeping industrial development of the country, the decisive crushing of the *kulak* top layers of the village, and the transition to mass socialization of agricultural production (creation of state and collective farms, and machine-tractor stations; intensification of cooperation and the contracting of crops, etc.). Only this can assure the many millions of poor and middle class peasants access to the road of economic upswing, and socialist reconstruction of the individual peasant farm.

Powerful support by the quickly growing socialist industry, new forms of productive cooperation of city and village, the experience of big mechanized farms, the broad application of machines and chemical fertilizers, the wide development of agricultural sciences, stimulation of the growth of individual

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farms, ever broader understanding by the toiling peasantry of the direct advantages from passing to the road of mass collectivization and cooperation on the basis of big-machine technique, — only this road guarantees the swift outliving of the age-old backwardness of peasant farming and the progressive increase of its productive forces.

The Congress summons the many millions of poor and middle class peasants decisively to support the plan of developing agriculture which has been indicated by the Communist Party and the Soviet power, and by powerful toiling cooperation to hasten the solution of the great problems of socialist reconstruction of the village.

4. The Congress notes the broad program of transport construction projected by the Five-Year Plan. This plan is based on large scale reconstruction of railroad transport, on new railroad building, guaranteeing the extension of the railroad lines from 76,000 kilometers at the beginning to 92,000 kilometers at the end of the Five-Year Plan, and on the decisive overcoming of the lack of roads by the widespread building of paved and wagon roads, and on the substantial development of new forms of transport (motor and aviation).

Simultaneously, the Congress commissions the Government to reexamine the program of works on water transport designated in the Five-Year Plan in order to extend these works further, both by improving service on the existing routes and by further extension of the system of river routes, with a corresponding development of shipbuilding.

Appraising the extreme inadequacy of existing routes of communication in relation to the gigantic distances of the country, and the most important problems of drawing new regions into the sphere of commercial exchange, the Congress considers the program of transport construction a minimum task, and makes it obligatory for the Government in the

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course of the fulfilment of the Five-Year Plan to exploit all possibilities for exceeding this program.

The Congress also makes it obligatory for all local organs of the Soviet power, and summons all social organizations, to concentrate their efforts on the struggle with lack of roads, which delays our economic development.

5. The solution of the great building and productive problems, set by the Five-Year Plan, can be accomplished only on condition that there is a great growth of labor productivity, that there is a considerable enhancement of the harvest yield, that there is a great reduction in the costs of industrial production, building and transport services — i. e., on condition that there is a great improvement in the qualitative indices of national economic life, guaranteeing to the country indispensable capital accumulation, indispensable reserves of food and indispensable economy in the expenditure of money, raw material, supplies and fuel. Fully approving the tasks indicated in this direction by the Five-Year Plan, the Congress directs the attention of the Government to the necessity of creating by means of a series of measures conditions which would guarantee not only the full realization of the qualitative indices which are indicated and which determine the fate of the national economic plan, but also, if possible, the exceeding of these indices. Improvement of the technical equipment of labor, the toiling enthusiasm of the masses, the consolidation of enthusiastic, conscious socialist discipline, better organization of economic management, decisive struggle with bureaucratism, broadest development of self-criticism, broadest development of socialist competition among factories, railroads, workshops, state and collective farms, separate villages and whole regions in the fulfilment of the great tasks of socialist construction, — all this, taken together, must insure such a growth of labor productivity in the country of the Soviets as would be un-



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attainable in capitalist society. The Congress turns to the broad masses of workers and peasants, to technical experts, to educational and medical workers, etc., with an appeal to help by their activity, initiative and toiling discipline the accomplishment of these tasks which are set by the plan.

6. The Congress approves the growth in numbers of the labor force employed in industry and the considerable reduction of unemployment contemplated by the plan, with the simultaneous basic reconstruction and rationalization of industry, the placing of all industrial and transport workers on the seven-hour working day, the substantial increase of real wages and of the welfare of the broad toiling masses of the peasant population, the gradual liquidation of the material and cultural distinction between city and village. The Congress sees in this the difference, in principle, between socialist reconstruction and the ways of capitalist rationalization of production, which plunge the broad masses of the toilers into chronic unemployment and hopeless need.

The Congress commissions the Government to take all measures which are necessary for the complete achievement of the above mentioned tasks of the Five-Year Plan in improving the welfare of the toiling masses.

7. Observing that the Five-Year Plan has raised problems connected with improved education of the masses, and emphasizing the fact that a decisive and general educational improvement in the country, the preparation of trained experts for all branches of economic life and full use of the latest achievements of world science and technique are indispensable conditions for the successful achievement of the Five-Year Plan, the Congress commissions the Government by appropriate measures to guarantee the following reforms, indicated by the plan: radical improvement of the conditions of labor in undertakings and extension of the program of social insurance; transition to general compulsory education

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of children; decisive struggle with illiteracy; extension of the school system; further development of public halls, clubs, nurseries, restaurants, reading rooms, etc.; broad development of technical and economic education; widely planned development of scientific investigating institutes and work; preparation of new and rational use and retraining of existing experts of all professions and grades; invitation of the best foreign specialists; broad development of literature in the languages of all the peoples of the Soviet Union; widespread development of the motion picture and the radio, and accomplishment of other educational measures designated by the Five-Year Plan and necessary for the socialist reconstruction of economic life.

The Congress especially emphasizes the general intensification of the struggle with the housing need and the obligatory fulfilment of the program of housing construction and municipal improvements projected by the Five-Year Plan.

The Congress calls all public organizations, trade unions, cooperatives, etc., to contribute by their initiative to the solution of the enormous problems of educational upbuilding in the country.

8. The Congress approves the financial program indicated in the Five-Year Plan, based upon the raising of the buying power of the *chervonets* (Soviet ruble), the accumulation of considerable foreign currency reserves and the widespread mobilization of the people's resources for the needs of economic and educational construction. The Congress commissions the Government and all organs of the Soviet power to work constantly for the further strengthening of the régime of economy in the expenditure of the people's resources, and of firm financial discipline, since it is only under these conditions that the Soviet country can achieve big industrial building which is unparalleled in history.

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9. The Congress notes with satisfaction that the Five-Year Plan of economic life designates a strong growth of the share of the socialized section in all the basic funds of the country, the inclusion in cooperatives, in complete agreement with the cooperative plan of Lenin, of 54% of the handicraft industry and 85% of the peasant households, still greater inclusion of the working class in cooperatives, widespread development of the socialized section in agriculture (state and collective farms), which must embrace more than 20,000,000 of the peasant population and guarantee about 43% of the marketable grain by the end of the Five-Year Plan. All this must give a smashing blow to the capitalist elements and guarantee the genuine triumph of socialist forms in the economic system of the Soviet Union.

10. The realization of the enormous economic tasks indicated by the plan demands the strained effort of the whole state and economic apparatus of the country.

Under these conditions of developed socialist construction in city and village, the revivification and strengthening of the lower organs of Soviet power, the Soviets and their executive committees, and also the work of these organs in carrying out the measures which proceed from the Five-Year Plan of economic development acquire special significance. Therefore, the Fifth Congress of Soviets of the Soviet Union instructs the Soviet Government to turn serious attention to the provision of the lower organs of authority with necessary material resources and with experienced officials, drawn from the ranks of workers, farm laborers and poor and middle class peasants, and to the further planned development of the lower state apparatus, drawing into its work new millions of toilers, bringing it closer to the population and vigorously rooting out any kind of bureaucratic distortions in it.

11. The toilers of the Soviet Union, under the leadership

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of the Communist Party and the Soviet power, moved along the great road of victorious civil war and restoration of the economic life which was destroyed by war and capitalist intervention — the road of struggle and building, along which they accumulated vast economic experience and put forward new trained leaders of the economic life of the country. The Five-Year Plan of economic development, which is a testimonial and result of this accumulated experience of planned guidance of the national economic life, along with this opens up new possibilities and demands the quickest decision of the problems of organization, which acquire exceptional importance for guaranteeing the socialist reconstruction of economic life.

The Congress expresses its firm confidence that, notwithstanding the prophecies of enemies and the waverings of the timid, the toilers of the Soviet Union will overcome the difficulties which stand before them and, after smashing the resistance of the hostile capitalist forces, will victoriously solve the great problems of socialist construction.

*President of the Fifth Congress of Soviets of  
the Soviet Union*

**M. KALININ**

*Secretary of the Fifth Congress of Soviets of  
the Soviet Union*

**A. YENUKIDZE**

Moscow,  
May 28, 1929.

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### APPENDIX II

#### Introduction to the Five-Year Plan

[Translated from *Pyatiletni Plan: Narodno-Khozyaistvennogo Stroitelstva S.S.S.R.* (The Five-Year Plan of National Economic Construction of the Soviet Union), I, 9-13.<sup>1</sup>]

#### I. BASIC PROPOSITIONS

The 15th Congress of the All-Union Communist Party<sup>2</sup> gave exhaustive political and economic directions for the construction of a Five-Year Plan of national economic life, proceeding from the general course toward the industrialization of the Soviet Union, toward the socialist reorganization of the village, toward the overcoming of the capitalist, and the consequent strengthening of socialist elements in the economic system of the country. Subsequent plenary sessions of the Communist Party Central Committee, on the one hand, and a number of governmental acts on the other (the decree of the Central Executive Committee of the Soviet Union about harvest yield) developed and made more concrete the instructions of the 15th Congress concerning means of developing the productive forces of the country and concerning problems of economic construction in the immediate future. It has been the duty of the State Planning Commission of the Soviet Union and of the whole system of planning organizations to translate these general political and economic propositions and instructions into the language of concrete economic and technical-economic calculations, and to work them over into a plan of economic construction for the ensuing five-year period. The present report on the Five-Year Plan of national economic life is an attempt to solve this problem.

<sup>1</sup> Cf. *The Soviet Union Looks Ahead*, Chap. I.

<sup>2</sup> December 2-19, 1927.

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### 2. OBSERVATIONS ABOUT ORGANIZATION AND METHOD

The proposed Five-Year Plan in its measures of projected growth of material production, capital investments and qualitative indices considerably exceeds the calculations of all former projects. At its basis lie the recently accumulated experience of the first years of the reconstruction period, indicating possibilities which were formerly not appraised, and a certain change in the character and nature of the work for the Five-Year Plan. In harmony with the directions of the 15th Party Congress as to giving the work of the Five-Year Plan a broader social character, and also for the purpose of obtaining more diverse scientific expert opinion concerning the most important elements of the plan, the State Planning Commission in the course of its work on the Five-Year Plan held special conferences, attended by the most prominent representatives of science and of practical experience on such questions as metallurgy and machine construction, reconstruction of agriculture, reorganization of transport, the chemical, lumber, wood-chemical and textile industries, minor industry, cooperative organization, the training of skilled workers and specialists in the country and local economic administration.

By utilizing these conferences and also the extensive labors of a number of Commissariats, especially the Supreme Economic Council and the Commissariat for Transport, it was possible to create a sufficiently concrete program (with definition of objectives, regions and time limits) of new building, and also a program of reconstruction and rationalization in the decisive branches of economic life. On this program are based all the projected rates of quantitative and qualitative growth. From the methodological standpoint this made it possible to renounce the method of assumption (extrapolation), to which it was unavoidably necessary to resort in previous stages of prospective planning

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and which led to the nonappraisal of potential rates of our development and construction.

Along with this the State Planning Commission carried out special conferences with the officials of the most important economic regions of the country, in the course of which, in conjunction with these local authorities, the actual resources and possibilities of each of the regions were weighed, from the standpoint both of the general national problems falling to its share and of its specific characteristics and needs. The work of these regional conferences makes it possible for the first time to present the most important elements of the Five-Year Plan in so far as they affect the regions, thereby revealing the general lines of redistribution of productive forces between the regions and those special problems of developing the backward regions which were especially indicated in the decisions of the 15th Congress.

Finally, in the latest work on the Five-Year Plan it proved possible to throw somewhat more light on a number of such synthetic problems as the national income, the processes of socialization, the balance of the country as regards mechanical power, etc.

The work on the Five-Year Plan up to the present time is not finally completed and therefore further exploration will require supplementary exposition. The basic conclusions, however, are not subject to any serious changes on this account.

### 3. ABOUT THE TWO VARIATIONS OF THE PLAN

The State Planning Commission assumes the necessity of preparing the Five-Year National Economic Plan in two variants. In analyzing the problem of the variants, it is necessary above all to emphasize categorically the unity of the economic course and of the economic program in both. The problems of industrialization and socialization are of

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determining importance in both variants. The development of the socialized section in agriculture is planned in almost equal dimensions for the two variants. In view of its special importance, this matter is to be forced with maximum speed for the next five years. The distribution of the national income in general and especially the proportion of the share of the proletariat to the total income of the population, in principle, follow the same lines in both variants.

The distinction between the minimum and maximum variants, which have the same economic course, may be summarized as follows. The minimum variant reckons with:

(a) The possibility of a partial crop failure in the course of the Five-Year Plan.

(b) Approximately the present type of relations with world economic life (especially in the sense of the increase of long-term credits, the growth of which is planned at a rate characteristic for the last years).

(c) A relatively slower realization of high qualitative standards in economic life in general and in agriculture in particular.

(d) A greater relative weight of the defense program on the minimum variant, in view of the fact that it is almost identical for both variants.

On the other hand the maximum variant reckons with:

(a) The absence of any serious crop failure in the course of the Five-Year Plan.

(b) Considerably broader economic ties with world economic life, both as a result of the existence of greater export resources within the country (complete realization of the decree of the Soviet Central Executive Committee concerning harvest yield), and especially as a result of a considerably



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swifter growth of foreign long-term credits even in the first years of the Five-Year Plan.

(c) A sharp upturn in the qualitative indices in economic development during the next two years (cost of production, harvest yield, etc.).

(d) A smaller relative weight of expenditures on defense in the general economic system.

Thus, the movement of our economic development during the next five years, according to one of these variants, may be conditioned both upon a series of outside factors (harvest failure, inadequacy of long-term foreign credits), and upon the degree of our success in the most difficult matter of realizing high qualitative standards (cost of production, harvest yield). In accordance with these considerations the minimum variant may be regarded as a kind of guaranteed minimum within the maximum variant, unity being maintained between the economic programs of the two. The difference between them is calculated, approximately, at 20% (a number of indices remaining identical), — i. e., approximately, at a year's period of development. In other words the program (maximum), which under certain conditions we can accomplish within five years, under the less favorable conditions characteristic of the minimum variant will be stretched out, approximately, over six years. The framing of the Five-Year National Economic Plan in two variants, in view of all the difficulty of this matter, must assure greater maneuvering possibilities in the annual economic plans, and greater preparedness for the overcoming of those enormous difficulties which stand in the way of the achievement of the five-year program of economic construction.

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### APPENDIX III

#### Manifesto of the Communist Party Central Committee REGARDING THE APPROACHING THIRD YEAR OF THE FIVE- YEAR PLAN <sup>1</sup>

To All Party, Economic, Trade-union and Young Communist Organizations:

Within a month begins the new economic year — the third year of the Five-Year Plan. This approaching year puts forward a number of the most complicated and responsible economic and political problems. It has decisive significance for the fulfilment of the Five-Year Plan in four years and must guarantee the passing of not less than half of the peasant households to the socialist road, the road of collectivization.

The third year of the Five-Year Plan means a gigantic new stride in the industrialization of the Soviet Union. The mere growth of production for 1930–31 will be equal to the whole prewar industrial production. In the third year of the Five-Year Plan, along with the finished and already operating Stalingrad tractor factory, the Rostov agricultural machinery factory and other new plants it is necessary to assure the development at full speed of the construction of such huge enterprises as Magnitostroi, on the equipment of which more than 200,000,000 rubles must be expended in one year, Kuznetzkstroi, the Nizhni Novgorod automobile factory, the Kharkov and Cheliabinsk tractor plants, the huge Ural heavy machinery construction factory, the first sections of the great Berezinkovsky and Bobrikovsky chemical combines, the Saratov combine, etc.<sup>2</sup> The overwhelming majority of these factories, which in capacity far

<sup>1</sup> Translated from *Rabochaya Moskva*, September 4, 1930.

<sup>2</sup> Descriptions of the various plants mentioned may be found in the *Economic Review of the Soviet Union*.

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exceed everything that the country possessed up to this time in the field of the metallurgical, chemical and machinery construction industries, must be started in the course of the third year of the Five-Year Plan — some fully, others in part.

Moreover, in the ensuing year begins the building of such new factories as the Nizhni Tagil and Mariupol metallurgical plants and the Dnieper combine among a number of huge new factories. In 1930–31 we must obtain the first big results in achieving the direction of the 16th Party Congress about the creation of a new coal and metallurgical base in the Soviet Union — the Ural-Kuznetzk combine.

The following decisive figures determine the program of the coming year: 7,500,000 tons of pig iron, 74,500,000 tons of coal, 2,500,000,000 rubles worth of new machines, besides 845,000,000 rubles worth of agricultural machinery and new tractors with a total volume of 745,000 horsepower.

Successes in the development of heavy industry and the growth of the agricultural raw material base (extension of the planted acreage, increased harvest of cotton, sugar beets and a number of other nongrain crops) assure a pace of growth of light industry which will be considerably more rapid than was the case in preceding years. Along with other measures this creates the prerequisite conditions for improving the supply with objects of broad consumption and for mitigating the goods famine.

The realization of this production program demands decisive improvement in the quality of all economic work. All the qualitative indices of the work of industry and, first of all, the indices of cost of production and productivity of labor, must be considerably raised and fulfilled with unconditional accuracy in the course of the year. Without this the development of production and that enormous plan of capital undertakings which are contemplated for 1930–31 can not be assured.

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This program of industrial development is inseparably connected with enormous new tasks for transport (rail and water), and puts before the latter such high demands as can not be fulfilled without the swiftest basic improvement of the whole organization of transport, and without the active participation in this matter of the whole mass of railroad and water transport workers and technical specialists.

In 1930-31 we must also guarantee Bolshevik rates of development of the socialist state and collective farm section of agriculture, the fulfilment of huge production programs by such organizations as the Grain Trust, the Cattle Trust, the Pig Trust and others, making provision for the developing socialist construction in the villages by a complete realization of the tasks in producing agricultural machines, tractors and chemical fertilizers.

The fulfilment of all this gigantic economic program is possible only if there is an immediate active mobilization of all the forces of the working class, all Party organizations, all trade unions, the whole Communist Youth and all economic organizations without exception. Not to understand this is to neglect a basic Bolshevik obligation in the cause of assuring the success of socialist construction, and represents a direct crime against the Party, especially on the part of the leaders of the above mentioned organizations.

The recognition in words of the general line of the Party and the failure in fact to take the most decisive and timely measures to mobilize the whole working class for the fulfilment of this economic program is unworthy of Bolsheviks, and represents the worst form of right opportunism in practice.

Only the immediate development of work for the preparation of the carrying out of the production program of industry next year can assure the development of the Bolshevik

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rates of development of industry, which were accepted by the 16th Party Congress.

The most important condition of the realization of the industrial financial plan for next year is the fulfilment of that plan for 1929-30. Bolshevik preparation for the fulfilment of the gigantic production program of the third year of the Five-Year Plan is rooted in the unconditional execution of the industrial financial plan of the present year.

The second year of the Five-Year Plan was a year of big achievements by socialist industry. Big socialist industry for ten months increased its production by 27% and displayed a pace of growth which set a record for the reconstruction period. Heavy industry — that basis of socialism — during the same period increased its production by 39.5%. The scope of capital construction for ten months is defined at 2,400,000,000 or 2,500,000,000 rubles.

But along with these successes and achievements we must not overlook the serious breach which was revealed in the course of the execution of the plan which was established by industry.

The growth of industrial production by 27% indicates a sharp declination from the increase of 32% which was prescribed by the plan. The plan was left unfulfilled not only in light industry, where this was caused to a certain extent during the present year by the lack of raw material, but also to a considerable extent in heavy industry, a fact which is especially important. The visible slackening of the work of industry during the last months created a direct threat of failure to carry out the annual production program, which was accepted by the Party and the Soviet power. Instead of Bolshevik rates of development, one observes in many branches of industry recently a disgraceful reduction of tempo and an opportunist tendency to drift with the tide.

The course of capital construction is also clearly unsatis-

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factory. Less than half of the plan of capital construction was fulfilled during the first three quarters.

Especially disgraceful is the lagging behind of capital building in the Building Union, the chemical and coke and gas industries, in the New Steel, the Machine Union and the agricultural machinery industry. These impermissible developments in capital building threaten the pace of development which has been undertaken and the fulfilment of the Five-Year Plan in four years.

The most important cause of the nonfulfilment of the productive tasks of industry, especially in its basic branches, is the absence of the necessary energy and initiative in the cause of mobilizing internal resources: insufficient use of existing equipment, low number of additional shifts, absence of energy in overcoming the shortages within an undertaking, frequent stoppage of equipment as a result of the failure to organize and adjust material and technical supply, the numerous accidents from criminal neglect and poor technical control, the absence of systematic work for rationalization and the extremely unsatisfactory character of planning within the factories. Instead of Bolshevik struggle with conservatism in the technical production management of the undertakings, instead of revolutionary vigilance against saboteurs and mobilization of the activity of the most advanced workers for cooperation in the development of the work of the undertakings, the economic managers often follow the advice of the more conservative of the specialists, and sometimes of out-and-out saboteurs. The managers do not properly support the more advanced of the engineers and technicians and hold aloof from the active workers, i. e., in practice limit themselves to bureaucratic methods of work.

The results of all this are reflected in the most negative fashion in general and agricultural machine building, in

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ferrous metallurgy and in the coal industry. Similarly, the possibility, which has been revealed, of doubling the machine building programs next year indicates how great are the unused reserves of capacity in our undertakings. The successful fulfilment of increased tasks by such enterprises as, for example, the Electrical Factory, the Southern Mining Industry (Krivoi Rog) and the old paper factories are a result of the struggle for the use of the internal resources of the plants.

However, there are still too few such examples, while examples of conservatism and bureaucratism in the use of the internal resources of industry are encountered at every step.

Numerous cases of clearly exaggerated requirements for imported equipment, without attempts to utilize the internal resources of industry, are one of the clearest illustrations of a bureaucratic attitude of the economic leaders toward their obligations, and to some extent reflect an opportunist lack of faith in the possibilities of socialist industry. Moreover, there are frequent and clearly unsubstantiated attempts to justify the nonfulfilment of industrial tasks by insufficiency of imported equipment. If our Party, trade union and economic organizations, following the example of certain plants, such as the Leningrad metal factory named after Stalin (in extending the construction of turbines), had shown real initiative in the matter of utilizing the productive resources of our factories, industry would have obtained supplementary opportunities not only for fulfilling, but for considerably exceeding, the plan.

In a number of cases, as in the oil industry, the mining industry of Ukraina and nonferrous metallurgy, the nonfulfilment of the production plan is caused first of all by the clearly unsatisfactory course of preparatory works — prospecting, drilling and sinking of shafts —, and this threatens

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the further development of these branches of industry. Such a situation is especially intolerable in view of the exceptional importance of these branches of industry.

Changes in the economic situation, reflected especially strongly in the question of labor power and its large turnover, had special significance for the fulfilment of the industrial plan in this year. The huge scope of socialist industrialization, the drawing into production in this connection of all the old trained workers and of an immense layer of new workers, especially from the village, and the simultaneous development of collective and state farm upbuilding, together with the increased harvest, brought the greatest changes in comparison with that period when there was still a considerable number of unemployed in the cities, and when the superfluity of free working hands was felt with especial sharpness in the little individual peasant households.

These changes in the situation, which were not taken into account by the economic organizations and the trade unions, on the one hand, brought into industrial enterprises a flow of new workers, who have not passed through the school of big production and who are not infrequently filled with petty bourgeois slacker sentiments, and, on the other hand, a withdrawal of a certain part of these workers into the villages in the time of field work and distribution of the harvest. Instead of taking actual account of the existing situation and adopting necessary measures (along the line of developing proletarian public consciousness, corresponding adaptation of the organization of workers' supply, rewarding the best producers, etc.) to attach the workers to the enterprises, and struggling decisively with the slacker elements who appeared casually in plants (people who ran from one place of employment to another, etc.), the economic organizations and trade unions and also the Party organizations displayed quite intolerable passivity in this matter and



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thereby permitted a considerable development of turnover in the labor force.

It is especially necessary to point out the bureaucratic attitude toward economic problems on the part of the departments of the Commissariat for Labor and also of certain trade unions. It is sufficient to say that when there was a visible shortage of workers in factories, mines and construction works in all industrial regions, the departments of the Commissariat for Labor, up till very recently, limited themselves to the printing of bureaucratic "data" about hundreds of thousands of unemployed, and paid out tens of millions of rubles in "unemployment" subsidies, without combatting slackers, loafers who declined work, etc.

The consumers' cooperatives revealed no less bureaucratism and incapacity for solving new problems. They were unable to reorganize their work in a fashion necessary to cope with the problem of attaching the workers to production, to mobilize their productive possibilities for really improving the supply of workers, to develop mass control of the working men and women over the work of all the departments of the cooperatives. Responsibility for this lies to a certain degree also on the departments of the Commissariat for Trade.

The clearest illustration of the confusion of the economic departments and trade unions and of their failure to take timely measures to combat the labor turnover, which was undermining labor discipline and bringing confusion into production, must be considered the situation which has arisen in connection with new economic circumstances with relation to labor power in the enterprises of the All-Union Coal Industry and the Urals, in a number of construction enterprises and even in some plants in Moscow and Leningrad. This situation has led to the biggest breaches in production programs.

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The main and decisive deficiency in industrial work remains an inability to organize and lead the spontaneously growing activity of the working class. Notwithstanding the vast scope of socialist competition and the shock brigade movement in the factories, our economic, trade union, Young Communist and Party organizations often lag behind in this matter, and sometimes opportunistically follow after the active proletarians (e. g., Sormovo and others).

The development of socialist competition and the shock brigade movement is to a considerable extent promoted by bringing the tasks of the production program to the department, to the brigade, to the individual machine. At the same time, socialist competition and the shock brigade movement pass to a higher stage, on the basis of the development of proletarian activity, of the utilization of the productive achievements of the shock brigade movements and their rationalizing initiative, and also of a real practical reckoning with workers' proposals for the utilization of reserves of production power. This finds expression in the creation by the factory workers of the extra industrial financial plan, the significance of which lies in greater economy in the resources of the undertaking in carrying out the productive program, in raising the quality of production and especially in a further acceleration of a Bolshevik pace of industrial construction. The extra industrial financial plan acquires special significance as a method of really drawing all the workers into the cause of socialist construction, and as a most important means of struggle with counter revolutionary sabotage.

However, in point of fact in many cases the Party and other factory organizations not only do not give proper support to the workers' initiative in creating the extra industrial financial plan, but also fail suitably to organize socialist

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competition in its various and ever new forms (conveyor shock brigades, public supervision of one enterprise by another, etc). Without this it is impossible to guarantee a Bolshevik tempo for developing socialist industry. There are still many cases of false "shock brigade work" in industry and transport. There is still no small measure of formally bureaucratic attitude toward competition. There are still not a few members of the Party who do not understand the rôle and obligations of Communists in the plants as pacemakers in the struggle for the fulfilment of the industrial financial plan.

On the part of the economic directors who are in the really leading posts of socialist construction, there is often a lack of consciousness of their exceptional responsibility for their cause and a lack of understanding of their unconditional obligation to combine a firm realization of one-man management in the plant with the ability to rely in all their work on the Party, trade union and Young Communist organizations, on all the active Communist and nonparty workers.

The biggest failures of socialist competition and the shock brigade movement were reflected in the breaches of production plans which have been revealed, and in the very seriously threatened breach of the industrial financial plan of this year.

The situation which has arisen in industry demands decisive and immediate measures to mobilize the forces of the whole Party and the whole working class for the fulfilment of the industrial plan of the present year, which has been accepted by the Party. This is all the more necessary and incapable of postponement because the liquidation of the breach which has been uncovered in the industrial financial plan is the basic condition for guaranteeing the fulfilment of the production program of the third year of the Five-Year Plan.

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Hence are derived the following fundamental problems of the Party and the whole working class:

(1) All forces of the Party, Young Communist and economic organizations and of the trade unions to concentrate on the development of the cause of socialist competition and the shock brigade movement, and on the support of the initiative of the workers in this cause in all its forms (conveyor shock brigades, public supervision, etc.); all forces to concentrate on the development of the extra industrial financial plan in factories, mines and construction enterprises, on railroad and water transport.

The Central Committee whole-heartedly supports the initiative of the All-Union Trade Union Council in organizing during September a developed campaign of the trade unions for the extra industrial financial plan, and in organizing on October 1 an All-Union "Day of the Shock Brigade Worker." The Central Committee points out that only if all trade union organizations are immediately and actually drawn into this campaign can it become a genuine means of liquidating breaches in the industrial plan, and assure the fulfilment of the production program.

(2) Immediately to carry out measures which guarantee a decisive strengthening of labor discipline and real struggle with disorganization and absenteeism. These measures must assure the swiftest actual change in the matter of raising the productivity of labor and the factual realization of one-man management in economic administration. Without this it is impossible to overcome the existing difficulties in industry.

(3) To guarantee the development of the initiative of the engineers and technicians in production and technical questions, and by every means to push forward the creation of

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new trained experts from the working class, more boldly and consistently promoting leading workers, especially organizers of competitions, to responsible posts, overcoming in this connection conservatism, bureaucratism and opportunist lack of faith in the capacities of the working class.

(4) In order to combat labor turnover in the plants, to carry out a system of measures guaranteeing the attachment of the workers to the factories by means of a corresponding development of proletarian public opinion, the introduction of pledges of the workers themselves before this public opinion to work at a given enterprise for a minimum period and the application of all measures of social persuasion, including the boycotting of malicious deserters from production, and also the establishment of a system of various forms of rewards and supply, encouraging long periods of work at the factory.

In view of the lack of harmony between a number of laws, especially of the regulations about labor exchanges, and the present economic situation, immediately reexamine these laws with the idea of abolishing those which obstruct the struggle with labor deserters. Along with this assure the intensified drawing into production of the working class youth, and also of the wives of workers and other wage-earners.

(5) The organization of the workers' supply service has great significance in connection with the execution of the industrial financial plan.

For the purpose of improving distribution by the co-operatives, it is necessary to extend those practices which have justified themselves in application and which guarantee to the greatest degree the interests of the productive workers (reserved shops, attachment of worker members of co-operatives to stores, merciless struggle with theft in the cooperative

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apparatus, more severe punishments for abuses in the use of food cards, etc.), and to push forward in industrial regions the organization of suburban dairy, vegetable and cattle farms. Party, trade union, Young Communist and economic organizations must show all kinds of aid to the development of the initiative of the workers in this matter, must improve the cooperatives, and by every means develop mass control of the workers over the functioning of the cooperatives.

(6) The press carried out on the basis of developing self-criticism much work in the cause of mobilizing the working masses for the fulfilment of the industrial financial plan. Along with this the press in many cases, by limiting itself to superficial campaign agitation, did not achieve a sharpening of the struggle against the decisive concrete deficiencies of economic work, and did not cope with the problem of timely organization of the masses to face the new problems raised by changes in the economic situation.

(7) Decisive struggle against slackening the pace of work in connection with summer vacations. In a number of economic organizations this assumed the disgraceful form of leaving institutions without guidance, and represented one of the serious obstacles to the fulfilment of the present industrial financial plan and the preparation for the third year of the Five-Year Plan. Without immediate and decisive elimination of this sort of demobilizationist sentiment, which represents one of the clear manifestations of opportunism in practice, the mobilization of the Party forces and the workers for the liquidation of the breach and the fulfilment of productive tasks will remain only a matter of words.

Such are the most important problems of the present day.

The production program of the present year and the economic projects of the third year of the Five-Year Plan mean a practical program of socialist construction and a develop-

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ment of the offensive against the capitalist elements along the whole front.

Notwithstanding the major deficiencies in the realization of productive tasks which have been revealed, socialist construction moves victoriously ahead, mercilessly smashing in its course all attempts at resistance by the class enemy (*kulaks*, counter revolutionary saboteurs, bourgeois restorationists, including such types as Groman, Kondratiev and Sukhanov). Panic-stricken right-wingers — those advocates of the *kulaks* —, Trotzkyist elements, who in fact are transformed from yesterday's "left-wingers" into actual companions of the right opportunists, and also persons who assume a conciliatory attitude toward the right-wingers and the Trotzkyists represent a bourgeois influence on the proletariat. Therefore, the infiltration into the Party of any kind of opportunist sentiments, undermining the fighting capacity of the proletariat in its developing offensive against the capitalist elements, must meet a decisive Bolshevik repulse. This is the basic condition of the victorious progress of socialism and, guaranteeing Bolshevik rates of socialist construction, is therefore a prerequisite for the overcoming of the difficulties which stand in the way of this construction.

The surmounting of the difficulties which confront us depends above all upon our work, upon our ability to carry on logical and uncompromising struggle with looseness, disorganization and bureaucratism in our organizations, and especially upon our capacity to mobilize the working class, which is a source of quickly growing and inexhaustible revolutionary energy, for the cause of the struggle for communism.

The industrial financial plan is threatened. This strikes at the program of the third year of the Five-Year Plan. We draw from this the Bolshevik conclusion:

All forces of the Party, all forces of the working class for

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the fulfilment of the industrial financial plan, for the guaranteeing of the program of the third year of the Five-Year Plan!

CENTRAL COMMITTEE OF THE ALL-UNION  
COMMUNIST PARTY (BOLSHEVIKI).

### APPENDIX IV

Decree of the Central Executive Committee and Council of  
People's Commissars of the Union of Soviet Socialist  
Republics, dated December 15, 1930 <sup>1</sup>

PROCEDURE FOR THE ENGAGEMENT AND DISTRIBUTION OF  
LABOR AND THE CAMPAIGN AGAINST THE FLUIDITY OF  
LABOR

[Published in *Izvestia* of December 17, 1930]

The immense successes in the socialistic industrialization of the country and the rapid tempo of collective and state farm construction have brought about the complete liquidation of unemployment.

In this connection it has become necessary, simultaneously with the training of new labor cadres, to utilize more fully and rationally the existing labor forces in all branches of the national economy.

Planned utilization can only give the best results if it is coupled with measures permitting the wider extension of socialistic forms and methods of work (socialist competition, shock brigade tactics, etc.). At the same time planned utilization of labor is impossible without a decisive and

<sup>1</sup> *A Selection of Documents relative to the Labour Legislation in force in the Union of Soviet Socialist Republics*, p. 176 (London, His Majesty's Stationery Office, Russia No. 1 (1931) Cmd. 3775).



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systematic campaign against all disorganizing elements in production.

In view of the above, the Central Executive Committee and the Council of People's Commissars of the Union of Soviet Socialist Republics decree:

1. Labor organizations are charged with the duty of insuring the planned distribution of labor within the limits approved by the competent planning organs.

2. All undertakings, institutions, organizations and individuals are obliged to engage workers and employees only through the labor organizations, except in the cases mentioned in this decree.

3. The employment of persons who have passed through higher educational institutions or technical schools is effected in accordance with the special laws regarding their allocation to employment.

4. The People's Commissariat of Labor of the Union of Soviet Socialist Republics shall fix the category of persons to be registered with labor organizations as seeking employment, and the procedure to be followed in placing them in employment. In this connection it should be borne in mind that persons who by their social position are nearest to the working classes should be set to work in industry and transport.

5. As an exception to Art. 2 of this decree, the following persons may be engaged without resort to the labor organizations:

(a) Responsible administrative-technical workers and specialists;

(b) Workers leaving one undertaking, institution or economic organization for another with the consent of the

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management of the undertaking, institution or organization in which they are employed;

(c) Apprentices to handicraft workers, or to craftsmen working on their own or employing not more than two hired workers;

(d) Poor peasants, male or female, in one-man peasant farms, and shepherds in peasant farms;

(e) Domestic servants;

(f) Other workers, by special agreement with the labor organizations.

Lists of the situations for which, in accordance with (a), the employer is permitted to engage workers directly, and also the procedure for making agreements under (f) shall be fixed by the People's Commissariat of Labor of the Union of Soviet Socialist Republics.

6. Labor agreements for a definite period may be concluded for a period not exceeding three years.

7. Skilled workers and specialists found in undertakings of the socialized sector not to be employed in the work for which they are specially qualified shall be redistributed by labor organizations in accordance with the procedure laid down by the People's Commissariat of Labor of the Union of Soviet Socialist Republics, in conjunction with the Supreme Council of National Economy of the Union of Soviet Socialist Republics, the People's Commissariat of Ways and Communications and the All-Union Council of Trades Unions.

8. In order to insure a supply of skilled workers and specialists for enterprises of the most important branches of the national economy (iron and steel, coal and chemical industries, machinery construction, capital construction, transport, and the electrical industry) at the expense of the less

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important branches or the less important undertakings of such branches, the People's Commissariat of Labor of the Union of Soviet Socialist Republics has the right, on notifying the economic organizations and in agreement with the trade unions, to carry out, with the sanction of the Council of Labor and Defense, the transfer of skilled workers and specialists to other branches of the national economy or to other localities for utilization in the work for which they are specially qualified.

9. Managers of undertakings are obliged to release, at times fixed by the labor organizations, workers who are obliged to leave for work in other undertakings in the circumstances mentioned in Arts. 7 and 8.

10. The Council of People's Commissars of the Union of Soviet Socialist Republics is charged with the giving of guarantees for workers transferred to other undertakings in the cases mentioned in Arts. 7 and 8, as regards the reservation of their living quarters in their former, and the provision of living quarters in their new place of residence, provision for the acceptance of their children in schools, children's homes and playgrounds, and the payment of their traveling expenses, in addition to other pecuniary inducements.

11. Workers and engineer-technical workmen who have distinguished themselves as organizers of "shock brigades," members of brigades or participants in socialist competition, as well as those who have worked in one undertaking for a considerable time or those who have made valuable suggestions regarding rationalization or who have produced inventions, enjoy the following privileges:

(a) If they are living in unsatisfactory quarters, they have priority in obtaining living accommodation in the living quarters reserved for the undertaking;

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(b) Their children have priority for vacancies in the higher educational institutions, technical schools, courses, etc.;

(c) They have priority for vacancies in homes of rest, sanatoria, etc.;

(d) They have priority of dispatch to other undertakings in the Union of Soviet Socialist Republics or abroad for studying manufacture and raising their qualifications;

(e) Members of their families, when applying for work to the labor organizations, are given employment by these organs preferably in those undertakings where the workers themselves are employed.

12. All workers directly engaged in production work in the mining, metal, chemical and textile branches of industry, in industries producing building materials, on rail, water and motor transport, and in important constructional work, if they have worked in the same undertaking or constructional work uninterruptedly for not less than two years after November 1, 1930, receive annually an additional three days' leave of absence or compensation to the extent of three days' wages.

The transfer of a worker to another undertaking in accordance with the instructions of the administration or labor organization does not affect the above-mentioned two years' period.

13. Malicious disorganizers of output, who leave their work in the socialized sector without authorization and without satisfactory excuse, are not, in the event of their applying for work to labor organizations, given employment in industry or transport for a period of six months.

The People's Commissariat of Labor of the Union of Soviet Socialist Republics is instructed to define within one month the category of persons falling within the purview of this article.

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14. Persons registered with the labor organizations who refuse without satisfactory excuse to accept employment on work for which they are specially qualified, and to which they are directed by the labor organizations, are removed from the register for a period of six months.

15. Managers of undertakings, institutions and economic organizations in the socialized sector are liable, in accordance with the fixed regulations, to disciplinary penalties on the instructions of higher organizations or to administrative penalties on the order of labor organizations for the following offenses:

(a) For the improper utilization of skilled labor in undertakings, institutions or economic organizations;

(b) For applying for or utilizing labor above the requirements fixed by the financial plan of industry;

(c) For failing to take due steps to insure the supply of labor for undertakings, institutions and organizations;

(d) For infringing the standards of wages fixed in collective agreements or by the state;

(e) For inducing workers and administrative-technical personnel to leave one undertaking for another undertaking or organization;

(f) For detaining workers or administrative-technical personnel whose transfer has been ordered by the labor organizations.

16. The Council of People's Commissars of the Union of Soviet Socialist Republics is charged to issue within 20 days a list of the laws of the Union of Soviet Socialist Republics that are canceled by the issue of the present decree, and amendments of the laws of the Union of Soviet Socialist Republics arising therefrom.

The Government of the allied republics are requested

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within one month to introduce in their legislation the changes arising from the present decree.

17. The Council of People's Commissars of the Union of Soviet Socialist Republics is charged to carry out within 20 days, and in accordance with this decree, the reorganization of the organs in charge of the labor returns.

*President of the Executive Committee of the  
Soviet Union*

M. KALININ

*President of the Council of People's Commissars  
of the Soviet Union*

A. I. RYKOV

*Secretary of the Central Executive Committee  
of the Soviet Union*

A. YENUKIDZE

Moscow, December 15, 1930. 52/691.

### APPENDIX V

**Decree of the People's Commissariat of Labor of the Union  
of Soviet Socialist Republics, October 9, 1930. No. 314<sup>1</sup>**

**REGARDING THE IMMEDIATE DISPATCH OF ALL UNEMPLOYED  
TO WORK AND THE CESSATION OF PAYMENT OF UN-  
EMPLOYMENT BENEFIT**

[Published in *Izvestia*, November 11, 1930. No. 281]

The People's Commissariat of Labor decrees as follows:

1. In view of the great shortage of labor in all branches of state industry, insurance bureaus are requested to discon-

<sup>1</sup> *A Selection of Documents relative to the Labour Legislation in force in the Union of Soviet Socialist Republics*, p. 165 (London, His Majesty's Stationery Office, Russia No. 1 (1931) Cmd. 3775).

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tinue payment of unemployment benefit. No provision for the payment of unemployment benefit has been made in the Budget of Social Insurance for the supplementary quarter October-December, 1930.

2. Labor exchanges are instructed to take all necessary measures in order that the unemployed be immediately sent to work, and of these the first to be sent are persons entitled to draw unemployment benefit.

3. Unemployed persons are to be drafted not only to work in their own trades, but also to other work necessitating special qualifications.

At the same time labor exchanges, according to local conditions (the needs of any particular trade) should extend their activities in the training and retraining of unemployed.

4. No excuse for refusal of work, with the exception of illness, supported by a medical certificate, should be considered. Refusal of work carries with it removal from the registers of the labor exchanges.

Medical certificates should be issued to the unemployed by medical boards and medical control boards. Unemployed in possession of medical certificates will receive benefits under the heading of unemployment benefit, but this benefit will come out of the sums allocated for temporary incapacity.

5. The personal responsibility for the due and correct execution of the present decree is placed upon the heads of the labor exchanges (and in districts where these are not in existence on the directors of labor organizations) and upon the chairmen of insurance bureaus.

6. Art. 1 of the present decree is to be put into force by telegraph.

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### APPENDIX VI

#### Resolution of the Central Committee of the All-Union Communist Party <sup>1</sup>

#### CONCERNING THE TEMPO OF COLLECTIVIZATION AND MEASURES OF STATE AID IN THE BUILDING OF COLLECTIVE FARMS

1. During the last months the collectivization movement made a new stride forward, taking in not only separate groups of individual households but also whole regions, districts and even territories. At the basis of the movement lies the collectivization of the means of production of the poor and middle class peasant households.

All the rates of the development of the collectivization movement indicated by the plans have been exceeded. By the spring of 1930 the planted area cultivated on a socialized basis will considerably exceed 30,000,000 hectares. So the Five-Year Plan of collectivization, according to which it was proposed to include 22,000,000 or 24,000,000 hectares in collective farms by the end of the Five-Year Plan, will be considerably more than fulfilled, even in the present year.

So we possess the material basis for the replacement of big *kulak* production by big production of the collective farms and a powerful advance toward the creation of socialist agriculture, to say nothing of the state farms, the growth of which runs considerably ahead of all the planned proposals.

This circumstance, which has decisive significance for the whole economic life of the Soviet Union, gave the Party full reason in its practical work to pass over from the policy of limiting the exploiting tendencies of the *kulaks* to the policy of liquidation of the *kulaks* as a class.

<sup>1</sup> Translated from *Rabochaya Gazeta*, January 7, 1930.



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2. On the basis of all this it may be affirmed with confidence that, within the bounds of the Five-Year Plan, instead of collectivizing the 20% of the sown area contemplated under the Five-Year Plan we can decide the problem of collectivizing the enormous majority of the peasant households. The collectivization of the most important grain regions, such as the Lower Volga, the Middle Volga and the North Caucasus, may be basically completed by the autumn of 1930 or, in any event, by the spring of 1931; the collectivization of the other grain regions may be basically finished by the autumn of 1931 or, in any case, by the spring of 1932.

3. In conformity with the growing tempo of collectivization it is necessary still more to intensify the work of building factories which produce tractors, combines and tractor accessories, so that the dates set by the Supreme Economic Council for finishing the construction of new factories should in no case be postponed. Moreover, the Central Committee proposes to the Supreme Economic Council to inform the Central Committee, not later than March 15 of this year, about measures which will guarantee by next year both the further growth of the general measures of production of complicated agricultural machines in old factories, and also especially a considerable increase of the output of tractor and complicated horse-drawn equipment.

4. Inasmuch as the decision concerning the problem of the replacement of horse-drawn equipment by equipment of a mechanical type can not be fulfilled in a short time and requires a number of years, the Communist Party Central Committee demands that there should be a decisive rejection of the tendency to estimate inadequately the rôle of horse-drawn machinery, a tendency which leads to the dispersion and selling off of horses. The Central Committee emphasizes the extraordinary importance, under present conditions and

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as a transition measure, of creating in the collective farms horse-machinery bases and a mixed type of tractor-horse bases, combining tractor with horse-drawn equipment.

5. In connection with the growing tempo of the collectivization movement, the Central Committee proposes to the Soviet Commissariat for Agriculture a regrouping of the land settlement forces and resources in such a manner as to guarantee fully the land settlement needs of regions of complete collectivization, postponing individual land settlement, with the exception of some minor nationality regions and some regions of the consuming belt, where the collectivization movement has not yet developed broadly.

6. In accordance with the foregoing considerations, the Central Committee considers it absolutely necessary to increase the general sum of credit for the collective farm section from 270,000,000 rubles to 500,000,000 rubles, correspondingly reducing the credits of other sections.

7. In accordance with the change of conditions in regions of complete collectivization, the machine-tractor stations, united by the All-Union Tractor Center, must reorganize their work on the basis of: (a) contracts pre-eminently, if not exclusively, with collective farms; and (b) the obligation of the peasants to cover the value of the stations in the course of three years.

At the same time, in regions where the state farms are widely separated (for instance, the Middle Volga and certain districts of the North Caucasus), there must be experiments with a type of combined farm, with the state farm as its fundamental basis, operating both under contract conditions and for pay, and helping the collective farms which conclude contracts with it, especially in tractor sowing and machine harvesting.

8. In view of the special importance of trained leaders,

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the Central Committee proposes to the Soviet Commissariat for Agriculture, to the Collective Farm Center and to the regional committees of the Party that they hasten the work of developing trained leaders for the collective farms, and supply the latter with these leaders, creating for this purpose a broad network of accelerated courses. Attract to these accelerated courses first of all people with practical experience in the collective farm movement from the peasants and members of the workers' brigades who have proved themselves organizers of the collective farm movement.

9. The experience of complete collectivization in the given stage of collective farm development demonstrates that the most widespread form of collective farm is not the cooperative for the common working of the land — in which private property rights in the means of production are preserved, while labor is socialized — but the agricultural *artel*, in which are collectivized the *basic* means of production (working animals and machinery, agricultural buildings, marketably productive cattle). Consequently, the Central Committee commissions the Soviet Commissariat for Agriculture to work out, with the broad cooperation of the collective farm organizations, in the shortest possible time a model constitution for the agricultural collective farm *artel*, as a form transitional to the commune, taking account in this connection of the impermissibility of admitting *kulaks* into collective farms.

10. The Party organizations must head and organize the collective farm movement, which is spontaneously growing from below, with the purpose of assuring the organization of *really collectivist production* in the collective farms, so as not only to obtain the extension of the planted area and growth of the harvest yield indicated by the plan but also to make the present sowing campaign a point of departure

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for a new upswing in the collective farm movement, in accordance with the decision of the November plenary session of the Central Committee.

11. The Central Committee emphasizes the necessity of decisively combatting any attempts to hold back the development of the collectivization movement for lack of tractors and complicated machines. At the same time the Central Committee very seriously warns Party organizations against any "decreeing" of the collective farm movement from above; this might create a danger of replacing genuine socialist competition in the organization of collective farms by mere playing at collectivization.

## APPENDIX VII

**Decision of the Central Executive Committee and Council of People's Commissars of the Soviet Union, February 1, 1930**

**MEASURES FOR STRENGTHENING THE SOCIALIST REORGANIZATION OF AGRICULTURE IN REGIONS OF COMPLETE COLLECTIVIZATION AND FOR STRUGGLE WITH THE *Kulaks***

For the purpose of guaranteeing the most favorable conditions for the socialist reconstruction of agriculture the Central Executive Committee and Council of People's Commissars of the Soviet Union decide:

1. In regions of complete collectivization to stop the operation of the law as regards the leasing of land and the employment of hired labor in individual peasant holdings. (Seventh and eighth divisions of the general rules about land exploitation and land arrangement.)

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Exceptions from this rule in regard to middle class households are regulated by regional executive committees under the guidance and control of higher district executive committees.

2. To grant to territorial executive committees and to governments of autonomous republics the right to apply in these regions all the necessary measures of struggle with the *kulaks* up to the complete confiscation of the property of the *kulaks* and the expulsion of the latter from the confines of the respective regions and territories.

The confiscated property of the *kulaks*, with the exception of that portion which goes for the settlement of debts owed by the *kulaks* to state and cooperative organizations, must be transferred to the reserve funds of the collective farms to cover the entrance fees of the poor peasants and farm laborers who are entering the collective farms.

3. To propose to the governments of the republics of the Soviet Union, in developing the present decision, to give the necessary instructions to the territorial executive committees and to the governments of the autonomous republics.

*President of the Central Executive Committee  
of the Soviet Union*

M. KALININ

*President of the Council of People's Commissars  
of the Soviet Union*

A. I. RYKOV

*Secretary of the Central Executive Committee  
of the Soviet Union*

A. YENUKIDZE

KREMLIN, MOSCOW, February 1, 1930.

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### APPENDIX VIII

**Final Text accepted by the Central Collective Farm Administration. Approved by the Commissariat for Agriculture, and confirmed by the Council of the People's Commissars of the Union of Soviet Socialist Republics and the Presidium of the Central Executive Committee of the Union of Soviet Socialist Republics**

#### MODEL ARTICLES OF ASSOCIATION FOR AGRICULTURAL *Artels* <sup>1</sup>

[Collection of Laws of the Union of Soviet Socialist Republics, 1930. No. 24, Chap. 255. Published in *Izvestia* (No. 60) of the TS. I. K. of the Union of Soviet Socialist Republics and of the Vtsik of March 2, 1930]

#### I. PURPOSES AND OBJECTS

1. We, poor peasants (*bednaki*) and middle peasants (*serednaki*) of the village of ..... in the district of ..... in the area of ....., of our own free will, unite in an agricultural *artel* so that our united means of production and our common organized labor may be used for the purpose of forming a large collective economic entity, and in this manner insure a complete and effective victory over the *kulak*, over all exploiters and enemies of the workers, over poverty and ignorance, over the backwardness of individual economic entities, and create a high labor output and marketable surplus by collective means.

#### II. LAND

2. All boundaries separating the arable holdings of the members of the *artel* are to be removed, and all pasture

<sup>1</sup> *A Selection of Documents relative to the Labour Legislation in force in the Union of Soviet Socialist Republics*, p. 115 (London, His Majesty's Stationery Office, Russia No. 1 (1931) Cmd. 3775).

## SOVIET PLANNED ECONOMIC ORDER

holdings are to be run together into one single area for the collective use of the *artel*.

When pooling all the holdings, homesteads (orchards, gardens, etc.) are to be left for the individual use of the members of the *artel*, and where necessary the size of such homestead is to be adjusted by a decision of the management of the *artel* and confirmed by a general meeting.

3. The area of land of the *artel* is in no case to be diminished. No land can be withdrawn from the pool by a member leaving the *artel*. Those leaving the *artel* can only obtain land from the free lands of the state.

### III. MEANS OF PRODUCTION

4. The following are communized: All draft animals, agricultural implements, all other livestock, all seed reserves, fodder in such quantities as is necessary for the feeding of the common livestock, farm buildings necessary for the running of the *artel* farm, and all agricultural plant. Living quarters of the members of the *artel* are not communized.

When communizing agricultural implements, such small agricultural implements as are required for working the homestead are left for the individual use of the member of the *artel*.

From the communized draft animals, the management of the *artel*, if necessary, will allot a minimum number of horses for the individual use of the members of the *artel*.

When there is only one cow in the holding, it is not communized. In the case of a holding having a number of cows, one cow is left for the individual use of the member of the *artel*, and the remainder are communized. Productive livestock is in all cases communized. An *artel* dairy is formed with the communized milking cattle.

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In areas where small livestock farming (i.e., pig and sheep) is carried on, the small livestock is communized, but a certain number of animals are left for the individual use of the member of the *artel*, in numbers to be decided by the *artel*. In areas where there is no small livestock farming, pigs and sheep are not communized. Poultry is not communized.

Apart from the small livestock and poultry left to individual ownership, collective farms organize small stock and poultry enterprises.

To insure the *artel* against a bad harvest, or shortage of fodder, emergency seed and fodder reserves are formed.

### IV. ACTIVITIES OF THE *Artel*

5. The management and members of the *artel* undertake the following obligations:

(a) To increase the amount of land under cultivation by making use of all the land available, by improving and cultivating waste land, and by rationally organizing the exploitation of their holding.

(b) To make full use of all motive power, all implements, all tractors, all machines, seeds and other means of production; purchase with their own means, and means borrowed, tractors and other means of production in order in course of time completely to mechanize the farm.

(c) To arrange for the proper use and upkeep of all livestock and implements; and to see that the collective livestock and implements are kept in better condition on collective farms than those in private ownership.

(d) To improve pasture and arable land and take the agricultural measures necessary for the increase of the yield.

(e) To take the necessary technical and veterinary



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measures to increase and improve the selling value of the livestock and poultry.

(f) To develop all other branches of agricultural production with due regard to the natural conditions of the locality, and to develop handicrafts in accordance with local conditions.

(g) To organize building construction and the collective basis of farm and public buildings and auxiliary institutions.

(h) To raise the cultural and political level of members of the *artel*.

(i) To improve the living conditions of the members of the *artel*, especially of the women and children.

### V. MEMBERSHIP

6. Admission to membership of the *artel* is decided by the management, which submits a list of the new members for approval at the next general meeting. Appearance in person by workers permanently employed outside the *artel* is not compulsory.

7. Any worker, upon reaching the age of 16, can become a member of the *artel*.

*Kulaks* and persons who have been deprived of their electoral rights are not eligible for membership of an *artel*. Exceptions to this rule are permitted for members of families among whose members are to be found persons loyal to the Soviet régime, red partisans, soldiers of the Red Army, sailors of the Red Fleet (of all ranks) or village male or female teachers on condition that they stand surety for their families.

Peasant families who, before entering a collective group, slaughter or sell their livestock, get rid of their implements or with ill intent dispose of their seed, are not admitted.

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### VI. RESOURCES OF THE *Artel*

8. Each person entering the *artel* must deposit an entrance fee of from 2% to 10% of the value of all property, whether communized or not, falling to his share of the holding, with the exception of articles of domestic or personal use.

In cases where the principal source of income of the person entering the *artel* is from wages (agronomists, teachers, surveyors, employees in institutions or organizations situated in the neighborhood of the *artel*), the amount of the entrance fee is fixed in each case by the management, but must not exceed 10% of his annual income.

The entrance fee for agricultural laborers shall not exceed five rubles. Workers who are permanently employed outside the collective farms shall pay an entrance fee of 3% of their annual wages in addition to the entrance fee of from 2% to 10% of the value of their property provided for in the articles of association.

*Note.* From a working member of the *artel*, no additional deduction from wages is made over and above the entrance fee to the *artel*.

Payment of the entrance fee by instalments may be permitted by the management only in accordance with rules and for periods laid down by the collective farm union. The entrance fees are credited to the reserve fund of the *artel*.

9. From the value of the communized property of a member of the *artel* (draft and productive livestock, implements, farm buildings, etc.), from 25% to 50% is credited to the reserve fund of the *artel* in such a way that the wealthier peasant households pay a higher rate of contribution to the reserve fund. The balance of the value of the property is reckoned as the share of the member of the *artel*.

10. The management settles accounts with a member who leaves the *artel* and returns his share to him, but the person

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leaving the *artel* is only entitled to receive land outside the area of the collective farm. Accounts are made up as a rule at the end of the economic year.

11. Out of the income of the *artel* at the end of the economic year provision is made for the expenses of running the *artel*, for the support of persons who are unfit for work, for the reserve and other communal funds (from 10% to 30% to the reserve fund, and from 5% to 15% for other communal funds) and for the payment of labor.

### VII. ORGANIZATION AND PAYMENT OF LABOR

12. All the work in the *artel* is carried out by the personal labor of its members, in accordance with the internal regulations approved by a general meeting. Only persons having specialized knowledge or training (agronomists, engineers, technicians, etc.), may be brought in for hired employment on agricultural work.

The hire of temporary labor is allowed only in exceptional cases when urgent work can not be performed within the required time by the members of the *artel* working to their full capacity, and also in case of building work.

13. Each member is allotted his work by the management of the *artel* in accordance with the internal regulations. No member may refuse to do the work allotted to him.

14. For the proper organization of the work of the members of the *artel*, standards of output and costing schedules shall be laid down, records shall be kept of the quality and quantity of work, and payment by piece and task work shall be adopted.

15. Payment for the labor of the members of the *artel* shall be made according to the following rules:

In the course of the economic year advances (in kind or

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money) shall be made to the members of the *artel* for food and other necessities, but not more than 50% of the amount due to them for their work. At the end of the economic year a final settlement as regards remuneration for labor is made.

*Note.* Out of the sums earned by members of the *artel*, who are working outside the *artel*, deductions are made for the communal funds of the *artel* to the amount of from 3% to not more than 10%; the deduction within these limits is fixed either by the *artel* or collective farm group.

16. The *artel* gives assistance to those members who are unable to work and to those who are temporarily incapacitated. The conditions and amount of such assistance is decided by the management of the *artel* and approved by a general meeting, in accordance with the economic resources of the *artel*, but not in excess of the average wage.

### VIII. SANCTIONS

17. All members of the *artel* undertake to conform to the stipulations of the articles of association, to the decisions of the management and of the general meeting, to observe the internal regulations, and scrupulously to perform tasks allotted to them by the management and their communal duties.

Unbusinesslike or negligent treatment of communal implements and livestock is regarded by the *artel* as treachery to the cause of collectivization and as practical support of the enemy, the *kulak*.

For such unbusinesslike or negligent treatment of communal property, for failing to report for work without adequate reason, and for other breaches of discipline, the management imposes penalties upon the offenders in accordance with the internal regulations (*e. g.*, reprimand, warning,

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temporary suspension from work, fine, etc.). If a member is found incorrigible, the management shall submit to the general meeting the question of his expulsion from membership of the *artel*.

### IX. MANAGEMENT OF THE AFFAIRS OF THE *Artel*

18. The affairs of the *artel* are conducted by the general meeting of members and by the management. If the calling of a general meeting is difficult owing to the large number of members or widely scattered dwellings, a general meeting is replaced by a meeting of delegates. Members of the meeting of delegates are elected at a general meeting of members of the *artel*, by the several groups of dwellings of the collective farm.

19. The general meeting (or meeting of delegates) is the supreme organ for the conduct of the *artel*. It decides the most important questions as regards the functioning of the *artel*, elects the management and the supervisory commission, and confirms the instructions in connection with their work.

The general meeting (or the meeting of delegates) can only conduct business when there are not less than half the total number of members present. Decisions of a general meeting (or meeting of delegates) are taken by a majority and by a showing of hands.

20. The management of the *artel* is elected for one year, is the executive organ of the *artel* and manages all its affairs. The management allots among its members duties in regard to the direction of the business and production of the *artel*, places upon the various members of the management complete responsibility for the duties allotted to them, and invests them with the necessary powers.

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The management must keep accounts according to the forms and rules laid down for the collective system.

21. The supervisory commission supervises the work of the management, in particular the observance of the articles of association, the execution of the production plan and of agreements with and obligations to the state, audits cash, property, documents and records, reports upon the annual statements, and renders an account of its work to the general meeting (or meeting of delegates).

### X. MUTUAL RELATIONS OF UNITS WITHIN THE SYSTEM

22. The *artel* shall become a member of the .....  
..... Collective Group and shall carry on its work under its direct guidance.

On the basis of its production plan the *artel* shall conclude with the ..... Collective Group an agreement (concerning the obligations of the *artel* as regards the organization of agricultural production), the delivery of all produce to the state and to cooperatives, and also the obligations of the collective group and of other state and co-operative organs as regards the supply to the *artel* of means of production and articles of utility, and as regards the organization of credit assistance and of agricultural technical services for the *artel*.

## APPENDIX IX

### Concerning the Struggle with Distortions of the Party Policy in the Collective Farm Movement <sup>1</sup>

To all Central Committees of National Republics, to All Territorial, District and Regional Committees of the Party:

<sup>1</sup> Translated from *Izvestia*, March 15, 1930.

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Information about the collective farm movement received in the Central Committee of the Party shows, along with real and very substantial successes of collectivization, that there are observed instances of the distortion of the Party policy in various regions of the Soviet Union.

Above all, the principle of *voluntariness* in building up the collective farms is violated. In a number of regions voluntariness is replaced by compulsion to enter the collective farms under the threat of expropriation, deprivation of electoral rights, etc. As a result, into the number of those expropriated as *kulaks* part of the middle class and even of the poor peasants sometimes fall. In some regions the percentage of expropriation rises to 15, and the percentage of persons deprived of electoral right to 15 or 20. Cases are observed of exceptionally rough, disorderly and criminal treatment of the population by some of the minor officials, who are sometimes victims of provocation on the part of masked counter revolutionary elements (banditism, division of property, arrest of middle class and even poor peasants, etc.). In a number of regions preparatory work for collectivization and patient explanation of the bases of Party policy to the poor and middle class peasants are replaced by bureaucratic official decreeing from above of swollen figures, and by an artificial inflation of the percentage of collectivization. (In some regions collectivization in a few days "rises" from 10 to 90%.)

Such practices are a violation of the well-known instruction of Lenin to the effect that collective farms can be vital and firm only if they grow up on a voluntary basis. The decision of the 16th Congress of our Party concerning the impermissibility of applying compulsory measures in organizing collective farms is violated. There is a violation of the constitution of the agricultural *artel*, confirmed by the Council of People's Commissars and the Central Execu-

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tive Committee of the Soviet Union, in which it is expressly stated that the farm laborers, poor and middle class peasants of such and such a village "voluntarily unite in an agricultural *artel*."

Along with these distortions are observed in some places inadmissible and harmful instances of *compulsory* socialization of houses, small animals, chickens and milk cattle without market value, and in connection with this attempts at stupid jumping over from the *artel* form of collective farms, which is the basic link of the collective farm movement, to the commune. It is forgotten that our basic agricultural problem is not the "chicken" or the "cucumber" problem, but the *grain* problem. It is forgotten that the basic link of the collective farm movement at the present moment is not the commune, but the *agricultural artel*. It is forgotten that just for this reason the Party found it necessary to issue a model constitution not for an agricultural commune, but for an agricultural *artel*. As a result of these stupid distortions we have in a number of regions a discrediting of the collective farm movement and a withdrawal of the peasants from a number of hastily patched up and therefore completely unstable *artels* and communes.

Consequently, the decision of the Party that the basic link in the collective farm movement at the present moment is not the commune, but the *artel*, is violated. There is a violation of the well-known decision of the Central Committee of the Party of January 6, 1930 (see *Pravda*) that the *artel* form of the collective farm movement is its main form, and that consequently one must not permit a frivolous jumping from the *artel* form to the commune.

Finally, the Central Committee considers it necessary to note the quite inadmissible distortions of the Party line in the field of struggle with religious prejudices, and also in the sphere of goods exchange between city and village. We



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have in mind here cases of the *administrative* closing of churches without the agreement of the overwhelming majority of the village, which usually leads to a strengthening of religious prejudices, and the abolition in a number of market places and bazaars, which leads to a deterioration in the supply of the cities. There can be no doubt that such a practice, carried out under the flag of the "left" phrase, in reality pours water on the mill of counter revolutionists and has nothing in common with the policy of our Party.

The Central Committee considers that all these distortions are the result of a *direct violation* of the policy of the Party, of a *direct violation* of the decision of the guiding organs of our Party, which can only create soil for strengthening the "right" elements of the Party.

The Central Committee considers that all these distortions are now the *basic obstruction* to the further growth of the collective farm movement and a *direct help* to our class enemies.

The Central Committee considers that further *quick growth* of the collective farm movement and *liquidation of the kulaks* as a class are *impossible* without immediate *liquidation* of these distortions.

The Central Committee makes it obligatory for Party organizations:

1. To stop the practice, observed in a number of places, of forced methods of collectivization, and simultaneously carry on further persistent work for *attracting* the peasantry into the collective farms on a voluntary basis and *strengthening* the existing collective farms.

2. To concentrate the attention of Party workers on the economic improvement of the collective farms and the organization of field work, guaranteeing by corresponding

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economic and Party political measures the reinforcing of the successes which have been achieved in collectivization and the economic organization of the agricultural *artel*.

3. Not to permit the transfer of agricultural *artels* to the constitution of agricultural communes without the confirmation of district collective farm unions or district executive committees, and to stop the *forced* socialization of dwellings, small cattle, birds and unmarketable milk cattle.

4. To examine the lists of persons who have been expropriated and deprived of electoral rights and to correct without delay the mistakes which were committed in this field in regard to middle class peasants, former Red partisans and members of families of village teachers and officers and soldiers and sailors of the Red Army and Navy.

5. While adhering strictly to the rule of not admitting *kulaks* and other persons deprived of electoral rights into the collective farms, to *permit exceptions* from this rule for members of those families which include Red partisans, officers, soldiers and sailors of the Red Army and Navy, and village teachers, who are devoted to the Soviet power, provided that these vouch for the members of their family.

6. To *forbid* the closing of markets, to *reestablish* bazaars and to *refrain from checking* the sale by peasants, including members of collective farms, of their products on the market.

7. Decisively to *stop* the practice of closing churches administratively, with a fictitious justification of a voluntary desire on the part of the population. To *permit* the closing of churches only in the event of the real desire of the overwhelming majority of the peasants, and only with the confirmation of the decisions of the peasant meetings by territorial executive committees. To hold guilty persons to

## SOVIET PLANNED ECONOMIC ORDER

strictest responsibility for mocking the religious feelings of peasant men and women.

8. To remove from their posts and replace with others those Party workers who are not able or do not desire to carry out a decisive struggle with distortions of the Party policy.

CENTRAL COMMITTEE OF THE  
ALL-UNION COMMUNIST PARTY

### APPENDIX X

Decision of the Central Committee of the All-Union Communist Party of April 2, 1930 <sup>1</sup>

#### CONCERNING ADVANTAGES FOR COLLECTIVE FARMS

1. To propose to the Council of People's Commissars and the Central Executive Committee of the Soviet Union:

(a) To free from tax liability for two years all the socialized working animals in the collective farms (horses, oxen, etc.);

(b) To free from tax liability for two years cows, pigs, chickens and sheep, both those collectively owned by the collective farm and those in the individual possession of its members;

(c) To establish for socialized gardens and garden collective farms a 50% reduction from the rates of garden income established for the given region. Land which is newly planted in socialized gardens and garden collective farms are to be free from the agricultural tax for two years;

(d) According to these decisions, correspondingly to reduce the general sum of the agricultural tax for 1930-31.

<sup>1</sup> Translated from *Izvestia* of April 3, 1930.

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2. To propose to the Council of People's Commissars of the Soviet Union to guarantee the complete fulfilment of the decision of the Party Central Committee of January 5 about crediting the collective farms in the present year to the extent of 500,000,000 rubles.

For the purpose of improving the material position of the collective farms:

(a) To postpone until the end of the business year the covering of the delayed indebtedness on credits which fall on farms entering the collective farm, and also of the delayed indebtedness assumed by the collective farms on behalf of the peasants who entered them. This indebtedness may be repaid in instalments in accordance with the receipt of incomes from crops and cattle;

(b) To cancel for collective farm members indebtedness in connection with the land arrangement which was in effect before they entered the collective farm;

(c) To cancel all fines and court sentences connected with the nonfulfilment of agricultural obligations, nonpayments, etc., imposed upon peasants entering the collective farms before April 1, 1930;

(d) To carry out the collection of share capital and deposits in credit societies and cooperatives only on a voluntary basis, forbidding the practice, which occurred in a number of cases, of compulsory contributions;

(e) To forbid the practice of collecting by compulsion deposits in savings banks, which has been observed in some regions;

(f) To consider as finished the collection of subscriptions for tractors in the current business year;

(g) To free the collective farms from the payment of debts on the confiscated *kulak* property which has passed into the possession of the collective farms.

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3. To propose to the Commissariat for Trade to forbid the taking for slaughter, according to contracts, of cows with calf from one-cow households which belong to collective farms.

4. To propose to the Collective Farm Center:

(a) To forbid the deduction for the benefit of the collective farms from the incomes of members outside the collective farm of a greater percentage than is established by law in regard to incomes from supplementary trades (from 3 to 10% of the earnings), irrespective of the time and place of work;

(b) To make it obligatory for the managing boards of collective farms not to place obstructions in the way of collective farm members who desire to work during time which is free from collective farm work with the socialized collective farm horses on hauling, lumbering and other jobs. Forty per cent of the earnings of the collective farm member remains in his possession if he uses fodder which belongs to the collective farm, while he keeps 60 or 70% if he feeds the horse with his own fodder.

5. To propose to the Council of People's Commissars of the Soviet Union to annul all decisions of the central organs not in conformity with this decision.

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### APPENDIX XI

#### Resolution on the Collective Farm Movement and the Development of Agriculture, unanimously adopted by the 16th Congress of the All-Union Communist Party on July 13, 1930

[*Excerpt*]

#### CONCERNING THE TEMPO OF COLLECTIVIZATION AND THE PROBLEMS OF REORGANIZING AGRICULTURE <sup>1</sup>

The course of development of the spring sowing of 1930 shows that, on the basis of collectivization and the establishment of collective farms, the Party will succeed in solving the very difficult grain problem. The solution of the grain problem in its turn not only facilitates the development of nongrain crops and cattle breeding, but also solves the question of the possibility, by means of the development of collective and state farming, of bringing the backward branches of agriculture out of the difficulties which are insuperable for small farms with low productivity.

The possible rates of the further development of grain cultivation and of the surmounting of the crisis in cattle breeding are defined by those enormous possibilities of the development of productive forces which the collective farms contain in themselves.

Last spring not only the machine tractor station and the old collective farms, but also the new collective farms, based upon the simple throwing together of peasant machinery and as yet lacking adequate experience in organization and farming, were able considerably to extend their sown area and to plant waste land. Moreover, the possibilities opened

<sup>1</sup> Translated from *Krasnaya Zvezda* of July 15, 1930.

## SOVIET PLANNED ECONOMIC ORDER

up by the development of the state farms are indicated by the fact that the old and new state farms alone will even this year yield about 100,000,000 poods (about 1,667,000 tons) of marketable grain, and next year will yield not less than 250,000,000 poods. This shows that, on the basis of collectivization, development of machine tractor stations and organization of state farms, the Party can begin to achieve the slogan of "overtaking and outstripping" the capitalist countries of the world not only in regard to industry, where the advantages of large scale management have long been revealed with enormous force, but also in the field of agriculture, where the tempo of development hitherto has been determined by the overwhelming predominance of very slightly productive small farms and now will be determined by the accelerated development of collective and state farms, representing a new type of farming unknown in the history of humanity and first discovered by the experience of economic construction in the Soviet Union.

In accordance with this the Congress considers it necessary :

1. Fundamentally to reconsider the Five-Year Plan of agricultural development, taking as a basis the tempo of collectivization contemplated by the decision of the Central Committee on January 5, which has been fully confirmed by experience, in order on this basis to guarantee, along with the hastened development of grain and other crops, the increase and intensified development of cattle-breeding, above all by the organization of special state cattle-breeding farms, analogous to the state grain farms, as well as by the widespread creation of collective farms with a high marketable surplus and by the quick extension of the fodder supply.

2. Along with the steady observance of the advantages for collective farms and their members contemplated by the decisions of the Party, to increase the credits for collective

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farms in 1930-31 so as to double the figure for the present year, i. e., to make it a billion rubles.

3. To guarantee the sowing by the Grain Trust next year of not less than 4,500,000 hectares and the preparation for sowing of 9,000,000 hectares in 1932.

4. To guarantee a market supply by the Pig Trust of not less than 400,000 pigs in 1930-31, not less than 3,000,000 in 1931-32 and not less than 7,000,000 in 1932-33.

5. To bring up the number of head of cattle of the "Skotovod" (a state cattle-raising organization) to 3,200,000 in 1930-31, 5,500,000 in 1931-32 and 9,000,000 or 10,000,000 in 1932-33.

6. To develop cattle-raising branches in the collective farms, assigning a considerable part of the agricultural credits for this purpose.

7. In view of the fact that a combination of the tractor with the horse on field work will be required for a number of years, it is necessary to take good care of horses and to create suitable regions for special state farms and cooperatives devoted to horse-breeding.

8. To commission the Lenin Agricultural Academy to work out the following questions: Rational distribution of agriculture in the territory of the Soviet Union according to branches and crops; replacement of less advantageous by more advantageous crops; guaranteeing the Soviet Union, along with the possibility of an independent supply in the main food and raw material crops, the possibility of maximum exploitation of local power sources in agriculture.

In connection with the problems referred to the Lenin Agricultural Academy, to create for its work the necessary technical basis, on the level of the latest achievements of



## SOVIET PLANNED ECONOMIC ORDER

science, and to insure its strengthening with Communist leaders.

9. To develop the work of the Collective Farm Institute, so that its work may guarantee a timely scientific and practical elaboration of forms and methods of collective farm development and a theoretical generalization of local experience.

10. To assure the complete fulfilment of the program of tractor and combine construction, the production of spare parts and tractor accessories in amounts defined by the decisions of the Central Committee; and also increased production of mineral fertilizers, especially of means to combat insect pests.

To turn special attention in this connection upon the improvement of the quality of tractor machinery.

## APPENDIX XII

Resolutions Adopted by the United Plenary Session of the Central Committee and Control Commission of the All-Union Communist Party, December 17-21, 1930<sup>1</sup>

### ECONOMIC PROBLEMS

#### 1. Regarding Economic Life as a Whole:

(a) To fix tentatively the national income of the Soviet Union for 1931 as 49,000,000,000 rubles (in prices of the year 1926-27) as against the figure of 49,700,000,000 rubles, which was proposed for the last year of the Five-Year Plan (1933), so that the growth of the national income in 1931 would constitute not less than 35% (as against a growth of national income by 19% in 1930 and by 11% in 1929).

<sup>1</sup> Translated from *Izvestia* of December 22, 1930.

## DOCUMENTS RELATING TO THE BUDGET

(b) Assuming this growth of national income, to define the capital investments in the socialized section of national economic life (industry, agriculture, transport, etc.) at 17,000,000,000 rubles, instead of 10,000,000,000 rubles as in the past year.

(c) To fix the value of industrial goods of wide consumption for 1931 at 14,600,000,000 rubles, as against 11,500,000,000 rubles in 1930 (a growth for the year of 3,100,000,000 rubles, as against a growth in 1929-30 of 1,000,000,000 over the preceding year). This, along with the growth of the supply of agricultural products, must increase the retail turnover by 25 or 30% over the preceding year.

### 2. Regarding Industry and Electrification:

(a) To establish the scope of capital construction in socialist industry and electrification (regional electric stations) for 1931 at 7,470,000,000 rubles, of which 850,000,000 rubles are to be assigned to electrification and 5,500,000,000 rubles to the industry which is planned by the Supreme Economic Council. (Of the latter sum, 500,000,000 rubles are to be assigned to the reserve of the Supreme Economic Council for industry and electrification.)

To fix the reduction of building costs at 12%.

(b) To set the growth of the total output of all state industry (under the Supreme Economic Council and the People's Commissariat for Supply) at 45% by comparison with 1930. This means the fulfilment of the whole Five-Year Plan of industrial production by 79% in the third year of the Five-Year Plan, 1931. For the branches of heavy industry the plan will be fulfilled by 98%.

(c) To bring the general power of all operating electrical stations up to 4,500,000 kilowatts by the end of 1931 and to

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bring the production of electrical energy up to 12,700,000,000 kilowatt-hours, as against 8,800,000,000 kilowatt-hours in 1930.

(d) To establish for the industry which is planned by the Supreme Economic Council a growth in the number of workers by 10%, in the productivity of labor by 28% and a reduction of production costs by 10%, with obligatory improvement of the quality of production. The corresponding figures for the industries planned by the Commissariat for Supply are: increase in the number of workers by 16% and of productivity of labor by 35%, with reduction of production costs by 11%.

### 3. Regarding Agriculture:

(a) To guarantee in 1931 the inclusion in collective farms of not less than 80% of the peasant households in the steppe region of Ukraina, in the North Caucasus, the Lower Volga and the Middle Volga (Trans-Volga). This means for these regions the completion, on the whole, of full collectivization and liquidation of the *kulaks* as a class. To guarantee for the other grain regions — the Central Blackearth Region, Siberia, the Urals, Ukraina (the wooded-steppe districts) and the grain regions of Kazakstan — 50% collectivization of the peasant households. For the consuming belt 20 or 25% of the grain farms are to be collectivized. To assure the collectivization of not less than 25% of the peasant households in the cotton and sugar beet regions.

To guarantee, on the average for the Soviet Union in all branches of agriculture in 1931, the collectivization of not less than half of the peasant households.

(b) To bring up the general amount of land sown with all crops in 1931 to 143,000,000 hectares (spring<sup>1</sup> and winter sowings of 1931).

<sup>1</sup> Cf. *Economic Review of the Soviet Union*, VI, p. 99.

## DOCUMENTS RELATING TO THE BUDGET

To fix the sown area of the state farms at 9,500,000 hectares (5,000,000 hectares for the state farms of the Grain Trust) and of the collective farms at not less than 66,000,000 hectares, of which not less than 50,000,000 hectares are to be under spring crops.

(c) To increase the number of machine-tractor stations of the Tractor Center by the end of the year to 1,400 with a general figure of 980,000 horsepower.

(d) To create 2,800,000 head for the Cattle Trust, 1,900,000 head for the Pig Trust, and 4,400,000 head for the Sheep Trust; to supply the Milk and Butter Trust with 110,000 cows.

(e) To fix the scope of investment in the socialized section of agriculture (state and collective farms) at 3,800,000,000 rubles, 2,055,000,000 rubles for the state section and 1,745,000,000 rubles for the collective farms and machine tractor stations.

### 4. Regarding Transport and Communication:

(a) To accept as the figure of freight to be transported on the railroads in 1931 the figure of 330,000,000 tons, as against 281,000,000 tons proposed for the last year of the Five-Year Plan.

(b) To assure a reduction in the costs of shipments of not less than 9% during 1931.

(c) To take 3,185,000,000 rubles as the sum of capital investments in transport.

(d) To take 135,000,000 rubles as the sum of investments in civil aviation (besides 15,000,000 rubles which are assigned for exploitation purposes).

(e) To assign 260,000,000 rubles for investment in communications during 1931.

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### 5. Regarding the Commissariat for Supply and Consumers' Cooperation:

To define the amount of capital investments at:

(a) 230,000,000 rubles for the Commissariat for Supply (raw material base, elevators, cold-storage plants, warehouses, etc.).

(b) 365,000,000 rubles for the Consumers' Cooperatives (public feeding, suburban gardens, store construction, etc., without industry).

### 6. Regarding Labor and Education:

(a) To establish the general number of workers and employees in 1931 at 16,000,000, as against 14,000,000 in 1930.

(b) To set the growth of wages in 1931 by comparison with 1930 at 6% for industrial workers and 8% for transportation workers. To fix the year's fund for wages in 1931 at 15,300,000,000 rubles, as against 12,500,000,000 rubles in 1930.

(c) To fix the year's fund of social insurance for workers and employees in 1931 at 2,138,000,000 rubles (as against 1,600,000,000 rubles in 1930). This exceeds the program for the last year of the Five-Year Plan (1,950,000,000 rubles).

(d) To establish the size of the fund for improving the living conditions of the workers in 1931 at 285,000,000 rubles, as against 125,000,000 rubles in 1930.

(e) To assign 155,000,000 rubles for the protection of labor in industry and transport.

(f) By the end of 1931 to put on the seven-hour working day all railroad workers, not less than 92% of the workers employed in that industry planned by the Supreme Economic Council, and 52% of the workers in that industry planned by the Commissariat for Supply.

## DOCUMENTS RELATING TO THE BUDGET

(g) To place on the five-day working week during 1931 all workers in the industries which are planned by the Supreme Economic Council, with the exception of the textile workers, and 98% of the workers in the industries which are planned by the Commissariat for Supply.

(h) To invest in housing construction in all branches of socialized economic life 1,100,000,000 rubles, as against 582,500,000 rubles last year.

(i) To appropriate 6,500,000,000 rubles, as against 5,000,000,000 rubles in 1930, for financing education, science, health, social welfare and the training of experts.

### 7. Regarding the Financial Plan:

1. To estimate the sum of the unified financial plan (budget, credit system and independent resources of the economic organizations) at 31,100,000,000 rubles of income and 29,600,000,000 rubles of expense (in this figure the state budget is to reckon with 21,200,000,000 rubles of income and 19,700,000,000 rubles of expense). Income is to predominate over expense and a state reserve to the amount of 1,500,000,000 rubles is to be created.

### 2. Appraising the facts that

(a) the successes of a planned socialist economic system have made it possible in the sphere of finance to adopt the system of a unified financial plan, embracing all the resources of the country devoted to capital building, filling out the turnover mechanism of the socialized economic system, education, administration and defense of the Soviet Union;

(b) the unified financial plan embraces and redistributes about two thirds of the whole national income for the cause of socialist construction;

(c) the successful fulfilment of the financial plan and the

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budget are directly dependent upon the fulfilment of the quantitative and qualitative indices in all branches of economic construction;

(d) without strict fulfilment of the financial plan the achievement of the indicated economic plan in all branches of economic life is impossible:

The plenary session considers indispensable the decisive strengthening of the work of all financial organs, the introduction of the strictest financial discipline and economy, the unconditional realization of items of income, the establishment of the direct dependence of the expenditures of every organization upon the fulfilment of its production and financial plans, the strengthening of the ruble and energetic struggle against the tendency to underestimate the rôle and significance of the financial system in the present stage of socialist construction.

## APPENDIX XIII

Decree adopted at the Third Session of the Fifth Central Executive Committee of the U. S. S. R.

THE UNIFIED FINANCIAL PLAN AND UNIFIED STATE BUDGET  
OF THE U. S. S. R. FOR 1931<sup>1</sup>

Having heard and considered the report of the Council of People's Commissars of the Soviet Union and of the Budget Commission of the Central Executive Committee of the Soviet Union on the Unified Financial Plan and the Unified State Budget of the Soviet Union for 1931, the Third Session of the Central Executive Committee of the Soviet Union decides:

<sup>1</sup> Translated from *Investia* of January 12, 1931.

## DOCUMENTS RELATING TO THE BUDGET

### SECTION I

1. To approve the following statement of revenues and expenditures of the Unified Financial Plan of the Soviet Union for 1931:

#### BALANCE SHEET OF THE UNIFIED FINANCIAL PLAN, 1931

##### *Revenues*

	Rubles	
<b>I. Revenue from the socialized sector of the national economy:</b>		
1. Industry.....	4,076,000,000	
2. Electric power plants.....	140,000,000	
3. Agriculture.....	1,094,000,000	
4. Timber .....	70,000,000	
5. Municipal enterprises .....	775,000,000	
6. State trade.....	1,480,000,000	
7. Consumers' cooperatives .....	779,000,000	
8. Transportation.....	3,381,000,000	
9. Communications.....	136,000,000	
10. Credit institutions.....	932,000,000	
11. Economic organs of the Commissariat for Finance.....	61,000,000	
12. Special funds of departments and institutions supported by state and local budgets.....	106,000,000	
13. Miscellaneous.....	365,000,000	
	<hr/>	13,393,000,000
<b>II. Revenue from Taxation:</b>		
1. General state.....	10,843,000,000	
2. Local.....	435,000,000	
	<hr/>	11,278,000,000
<b>III. Revenue from insurance organizations:</b>		
1. Social Insurance.....	2,174,000,000	
2. State Insurance.....	490,000,000	
	<hr/>	2,664,000,000



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		Rubles
<b>IV. Revenue from individual citizens:</b>		
1. Loans.....	1,300,000,000	
2. Voluntary contributions.....	400,000,000	
3. Cooperative deposits and dues ....	921,000,000	
4. Savings banks .....	400,000,000	
5. Bonds of Tractor Center.....	160,000,000	
6. Repayment of loans advanced by the All-Union Cooperative Credit Bank.....	700,000,000	
		3,881,000,000
V. Revenue from trade unions.....		400,000,000
VI. Miscellaneous revenue.....		302,000,000
		31,918,000,000
Total Revenues.....		

### *Expenditures*

<b>I. Financing national economy:</b>		
1. Industry.....	7,991,000,000	
2. Electrification.....	865,000,000	
3. Agriculture .....	4,833,000,000	
4. Municipal and housing construction.....	815,000,000	
5. Housing cooperation.....	100,000,000	
6. State trade.....	2,183,000,000	
7. Consumers' cooperatives.....	525,000,000	
8. Transportation.....	3,310,000,000	
9. Civil aviation.....	150,000,000	
10. Communications.....	260,000,000	
11. Economic organs of the Commissariat for Finance.....	30,000,000	
12. Miscellaneous.....	37,000,000	
		21,099,000,000
<b>II. Financing social and cultural enterprises:</b>		
1. Education.....	3,516,000,000	
2. Health.....	1,189,000,000	

## DOCUMENTS RELATING TO THE BUDGET

	Rubles	
3. Labor protection and social welfare.....	1,012,000,000	
4. Administrative expenses.....	68,000,000	
	5,785,000,000	
<b>III. Commissariat for War and Navy.....</b>	<b>1,310,000,000</b>	
IV. Administration.....	696,000,000	
V. Reserve funds.....	430,000,000	
VI. Loan payments.....	382,000,000	
VII. State insurance.....	286,000,000	
VIII. Miscellaneous expenditures ...	430,000,000	
	30,418,000,000	
Total Expenditures.....	30,418,000,000	
State Reserve Fund.....	1,500,000,000	
	31,918,000,000	
Grand Total.....	31,918,000,000	

### SECTION II

2. In accordance with the above balance sheet of the Unified Financial Plan for 1931, to confirm the draft of the Unified State Budget of the U. S. S. R. for 1931 as submitted by the Council of People's Commissars of the Soviet Union, introducing into it the following changes, proposed by the Budget Commission of the Central Executive Committee of the U. S. S. R.:

[Here follows a list of minor alterations in the budget appropriations.]

3. The 1,500,000,000 rubles excess of income over expenditures to be devoted to the creation of a reserve fund for the Unified State Budget of the Soviet Union.

4. As a result of all the changes adopted to confirm:

(a) The subjoined statement of revenues and expenditures of the Unified State Budget of the U. S. S. R. for 1931:

## SOVIET PLANNED ECONOMIC ORDER

### UNIFIED STATE BUDGET, 1931 <sup>1</sup>

#### I. Revenue

	Rubles	
<b>A. Revenue from taxation:</b>		
1. Single agricultural tax.....	500,000,000	
2. Business turnover tax.....	9,393,000,000	
3. Trade and industry tax.....	180,000,000	
4. General income tax.....	300,000,000	
5. Excess profits tax.....	18,000,000	
6. Customs duties and other customs revenues.....	302,000,000	
7. Special tax for cultural needs .....	150,000,000	
Total.....	10,843,000,000	
<b>B. Revenue not derived from taxation:</b>		
1. Industry.....	1,559,400,000	
(156,800,000 rubles derived from local industry)		
2. Electrical power plants.....	48,200,000	
3. State farms.....	57,700,000	
4. Enterprises under the People's Commissariat for Internal Supply.....	349,200,000	
5. Enterprises under the People's Commissariat for Foreign Trade.....	700,000	
6. Other trading enterprises.....	12,913,000	
7. Enterprises under the Commissariat for Transportation.....	59,900,000	
8. Enterprises under the Commissariat for Finance.....	34,000,000	
9. Banks.....	181,000,000	
10. Consumers' cooperatives.....	537,000,000	
11. Producers' cooperatives.....	44,000,000	
12. Special cooperatives for the disabled.....	1,700,000	

<sup>1</sup> This budget is compared with that for 1930 in *Economic Review of the Soviet Union*, VI, p. 147.

## DOCUMENTS RELATING TO THE BUDGET

	Rubles	
13. Agricultural cooperatives.....	708,000	
14. Housing cooperatives.....	591,000	
15. State property.....	46,145,000	
16. State insurance.....	23,200,000	
17. Special commodity fund.....	600,000,000	
18. Other revenue.....	97,281,000	
19. Revenue from coin issue.....	20,000,000	
Total.....	3,673,618,000	
C. State loans.....		1,700,000,000
(including 400,000,000 rubles from savings bank resources)		
D. Revenue from other sources:		
1. Commissariat for Transportation	4,811,200,000	
2. Commissariat for Posts and Telegraphs.....	480,000,000	
3. Repayment of loans advanced for the financing of agriculture out of the budget of 1929-30.....	17,000,000	
4. Revenue from local budgets .....	249,200,000	
Total.....	5,557,400,000	
Total Revenues.....		21,774,018,000

### *II. Expenditures*

A. Financing National Economy:	
1. Industries under the Supreme Economic Council.....	4,850,800,000
2. Other industries.....	455,000,000
3. Regional power plants.....	736,100,000
4. Local power plants.....	32,325,000
5. Agriculture.....	2,361,301,000
6. Repayment of loans to finance agriculture out of the budget of 1929-30.....	17,000,000
7. Enterprises under the Commissariat for Foreign Trade.....	196,900,000
8. Enterprises under the Commissariat for Internal Supply .....	1,214,600,000

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	Rubles	
9. Commissariat for Transportation	4,569,500,000	
10. Accumulated funds in the current account of the Commissariat for Transportation in the State Bank.....	54,200,000	
11. Civil aviation.....	150,000,000	
12. Road construction, from budgets of the constituent republics.....	34,200,000	
13. Commissariat for Posts and Telegraphs.....	556,400,000	
14. Municipal and housing construction.....	30,600,000	
15. Other enterprises.....	38,955,000	
16. Regulation of national economy..	45,884,000	
Total.....	15,343,765,000	
 B. Social and cultural enterprises:		
1. Education.....	1,104,031,000	
2. Health.....	80,316,000	
3. Labor protection and social welfare.....	45,422,000	
4. Administration of social and educational work.....	9,224,000	
Total.....	1,238,993,000	
C. Army and Navy.....	1,290,000,000	
D. Special militia.....	100,000,000	
E. Administration.....	231,143,000	
 F. Reserve funds:		
1. Reserve funds of the Councils of People's Commissars.....	379,800,000	
2. Other funds.....	26,090,000	
Total.....	405,890,000	
G. State loans.....	394,500,000	

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### H. Transfer of funds to:

	Rubles	
1. Social insurance.....	35,000,000	
2. State insurance.....	20,000,000	
3. Local budgets.....	1,314,727,000	
Total.....	1,369,727,000	
Total (A-H).....	20,374,018,000	
Reduction in administrative expenses.....	100,000,000	
Total Expenditures.....	20,274,018,000	
State Reserve Fund.....	1,500,000,000	
Grand Total.....	21,774,018,000	

(b) To confirm the statement of revenues and expenditures of the All-Union budget for 1931 at 18,687,686,000 rubles of revenue and 17,187,686,000 rubles of expenditures, assigning 1,500,000,000 rubles to the creation of a reserve fund.

(c) To confirm the statements of state revenues and expenditures to be assigned to the budgets of the constituent republics for 1931 in the following sums: 1,574,787,000 rubles for the Russian Soviet Federated Socialist Republic; 662,164,000 rubles for the Ukrainian Soviet Socialist Republic; 173,596,000 rubles for the White Russian Soviet Socialist Republic; 276,859,000 rubles for the Transcaucasian Soviet Socialist Republic; 96,351,000 rubles for the Turkoman Soviet Socialist Republic; 216,886,000 rubles for the Uzbek Soviet Socialist Republic; 85,689,000 rubles for the Tadjik Soviet Socialist Republic.

5. To assign to the budgets of the constituent republics deductions from the business turnover tax in the following amounts: Russian Soviet Federated Socialist Republic, 131,997,000 rubles; Ukrainian Soviet Socialist Republic, 98,812,000 rubles; White Russian Soviet Socialist Republic,

## SOVIET PLANNED ECONOMIC ORDER

87,542,000 rubles; Transcaucasian Soviet Socialist Republic, 194,338,000 rubles; Turkoman Soviet Socialist Republic, 82,171,000 rubles; Uzbek Soviet Socialist Republic, 140,613,000 rubles; Tadjik Soviet Socialist Republic, 74,063,000 rubles.

### SECTION III

The transition to the system of a unified financial plan in the sphere of financial planning, first achieved in 1931, is a very great step forward in the strengthening and further completion of the whole system of planned socialist economic life of the Soviet Union.

The Unified Financial Plan of the Soviet Union in 1931 is inseparably connected with the whole economic plan of that year. Embracing on its revenue side almost 32,000,000,000 rubles and redistributing for socialist construction two-thirds of the whole national income, this plan sets vast organizing and operating problems before all the financial and economic organizations of the country.

If the successful fulfilment of the financial plan is directly dependent upon the fulfilment of the qualitative and quantitative tasks of the national economy of the country, all the production and building plans of 1931, in their turn, are guaranteed only in the event of the complete realization of the program of mobilization and redistribution of resources which is marked out in the financial plan.

Noting the increasing significance of the financial system at the present stage of socialist construction and approving the transition to the Unified Financial Plan, the Central Executive Committee proposes to the Council of People's Commissars of the Soviet Union and to the governments of the constituent republics:

1. To organize the work of economic and financial or-

## DOCUMENTS RELATING TO THE BUDGET

ganizations in 1931 in such fashion as to give first place to the following tasks:

(a) The complete fulfilment of the quantitative and qualitative tasks of the economic plan of 1931;

(b) Maximum mobilization of the resources of the country, necessary to guarantee the pace of socialist construction which has been set;

(c) The carrying out of the strictest financial discipline and regime of economy in all branches of the national economy, social and cultural upbuilding and administration.

2. To make the payment of the expenses of all state institutions and economic organizations directly dependent upon their fulfilment of the financial and production plans which have been established for them.

3. To entrust the supervision and control of the fulfilment of the financial plans and estimates of the various departments to the Finance Commissariats of the Soviet Union and of the constituent republics and their local organs, making it obligatory for all departments and institutions, and also economic enterprises and organizations of the socialized sector, to submit to the financial organs in proper time all necessary data concerning their progress in carrying out the financial plans.

*President of the Central Executive Committee  
of the Soviet Union*

**M. KALININ**

*Secretary of the Central Executive Committee  
of the Soviet Union*

**A. YENUKIDZE**

MOSCOW, KREMLIN, January 10, 1931.



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